

**ING Life Insurance and Annuity Company
and its Variable Annuity Account C**

ING Pension IRA

**For 1984 Contracts (Prospectus No. PRO.75992-09)
and for 1992, 1994 and 2004 Contracts (Prospectus No. PRO.75988-09)**

**Supplement dated May 1, 2009 to the Contract Prospectus and Statement of Additional
Information, each dated May 1, 2009**

The following information updates and amends certain information contained in your variable annuity Contract Prospectus and Statement of Additional Information ("SAI"). Please read it carefully and keep it with your current Contract Prospectus and SAI for future reference.

1. Effective in July and August certain funds offered through your contract will be reorganized into other funds as follows:

Effective after the close of business on July 17, 2009, the following Disappearing Portfolios will reorganize into and become part of the following Surviving Portfolios:

| Disappearing Portfolios | Surviving Portfolios |
|----------------------------------------------------|------------------------------------------------------------|
| ING American Century Large Company Value Portfolio | ING T. Rowe Price Equity Income Portfolio |
| ING JPMorgan Value Opportunities Portfolio | ING Russell TM Large Cap Value Index Portfolio |
| ING Van Kampen Capital Growth Portfolio | ING Russell TM Large Cap Growth Index Portfolio |

Accordingly, effective after the close of business on July 17, 2009 investments in the Disappearing Portfolios will automatically become investments in the Surviving Portfolios, as follows:

- All existing account balances invested in the ING American Century Large Company Value Portfolio (S Class) will automatically become investments in the ING T. Rowe Price Equity Income Portfolio (Class S).
- Class I of the ING RussellTM Large Cap Value Index Portfolio will automatically be added to your contract and all existing account balances invested in the ING JPMorgan Value Opportunities Portfolio (Class I) will automatically become investments in the ING RussellTM Large Cap Value Index Portfolio (Class I).
- Class I of the ING RussellTM Large Cap Growth Index Portfolio will automatically be added to your contract and all existing account balances invested in the ING Van Kampen Capital Growth Portfolio (Class I) will automatically become investments in the ING RussellTM Large Cap Growth Index Portfolio (Class I).

As a result of the reorganizations, effective after the close of business on July 17, 2009 all references to the Disappearing Portfolios in the Contract Prospectus and SAI are hereby deleted.

Effective after the close of business on August 7, 2009, the following Disappearing Portfolios will reorganize into and become part of the following Surviving Portfolios:

| Disappearing Portfolios | Surviving Portfolios |
|-----------------------------------------------|--------------------------------------|
| ING Opportunistic LargeCap Growth Portfolio | ING Opportunistic LargeCap Portfolio |
| ING Index Plus International Equity Portfolio | ING International Index Portfolio |

Accordingly, effective after the close of business on August 7, 2009 investments in the Disappearing Portfolios will automatically become investments in the Surviving Portfolios, as follows:

- All existing account balances invested in the ING Opportunistic LargeCap Growth Portfolio (Class I) will automatically become investments in the ING Opportunistic LargeCap Portfolio (Class I).
- Class I of the ING International Index Portfolio will automatically be added to your contract and all existing account balances invested in the ING Index Plus International Equity Portfolio (Class I) will automatically become investments in the ING International Index Portfolio (Class I).

As a result of the reorganizations, effective after the close of business on August 7, 2009 all references to the Disappearing Portfolios in the Contract Prospectus and SAI are hereby deleted.

Unless you provide us with alternative allocation instructions, all future allocations directed to the Disappearing Portfolio after the date of the reorganization will be automatically allocated to the Surviving Portfolio. You may give us alternative allocation instructions at any time by contacting our Customer Service Center at:

ING
USFS Customer Service
Defined Contribution Administration
P.O. Box 990063
Hartford, CT 06199-0063
1-800-262-3862

See also the Transfers Among Investment Options section of your Contract Prospectus for further information about making allocation changes. More information about the funds available through your contract, including information about the risks associated with investing in these funds, can be found in the current prospectus and SAI for that fund. You may obtain these documents by contacting us at our Customer Service Center noted above.

2. Effective after the close of business on July 17, 2009 or August 7, 2009, as applicable, the following information regarding the new funds made available in July and August as noted above is added to Appendix IV – Description of Underlying Funds.

| Fund Name | Investment Adviser/Subadviser | Investment Objective(s) |
|----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| ING Variable Portfolios, Inc. – ING International Index Portfolio | ING Investments, LLC Subadviser: ING Investment Management Co. | Seeks investment (before fees and expenses) results that correspond to the total return of a widely accepted International Index. |
| ING Variable Portfolios, Inc. – ING RussellTM Large Cap Growth Index Portfolio | ING Investments, LLC Subadviser: ING Investment Management Co. | Seeks investment results (before fees and expenses) that correspond to the total return of the Russell Top 200 [®] Growth Index. |
| ING Variable Portfolios, Inc. – ING RussellTM Large Cap Value Index Portfolio | ING Investments, LLC Subadviser: ING Investment Management Co. | Seeks investment results (before fees and expenses) that correspond to the total return of the Russell Top 200 [®] Value Index. |

3. The minimum and maximum Total Annual Fund Operating Expenses shown in the Contract Prospectus will not change as a result of the reorganization. Therefore, there will be no change to the hypothetical examples shown in the Contract Prospectus.

ING Life Insurance and Annuity Company

Variable Annuity Account C

ING Pension IRA

Contract Prospectus - May 1, 2009

The Contracts. The contracts described in this prospectus are individual, deferred, fixed and variable annuity contracts issued by ING Life Insurance and Annuity Company (the Company, we, us, our). They are issued to you, the contract holder, as either a traditional Individual Retirement Annuity (IRA) under section 408(b) of the Internal Revenue Code of 1986 as amended (Tax Code) or a Roth IRA under Tax Code section 408A. Additionally, the traditional IRA may be used as a funding option for a Simplified Employee Pension (SEP) plan under Tax Code section 408(k). The contracts are not currently available as a Simple IRA under Tax Code section 408(p).

Why Reading this Prospectus is Important. This prospectus contains facts about the contract and its investment options that you should know before purchasing. This information will help you decide if the contract is right for you. Please read this prospectus carefully and keep it for future reference.

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Investment Options. The contract offers variable investment options and fixed interest options. When we establish your account you instruct us to direct account dollars to any of the available options.

| The Funds | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AIM V.I. Capital Appreciation Fund (Series I) AIM V.I. Core Equity Fund (Series I) AllianceBernstein Growth and Income Portfolio (Class A) Calvert Social Balanced Portfolio Fidelity® VIP Contrafund® Portfolio (Initial Class) Fidelity® VIP Equity-Income Portfolio (Initial Class) Fidelity® VIP Growth Portfolio (Initial Class) Fidelity® VIP Overseas Portfolio (Initial Class) Franklin Small Cap Value Securities Fund (Class 2) ING American Century Large Company Value Portfolio (S Class) ING American Century Small-Mid Cap Value Portfolio (S Class) ING Artio Foreign Portfolio (Class S) ⁽¹⁾ ING Balanced Portfolio, Inc. (Class I) ⁽¹⁾ ING Baron Small Cap Growth Portfolio (S Class) ING BlackRock Large Cap Growth Portfolio (Class I) ING BlackRock Science and Technology Opportunities Portfolio (Class I) ⁽¹⁾ ING Clarion Global Real Estate Portfolio (Class I) ⁽¹⁾ ING Davis New York Venture Portfolio (S Class) ING GET U.S. Core Portfolio ⁽²⁾ ING Growth and Income Portfolio (Class I) ⁽¹⁾ ING Index Plus International Equity Portfolio (Class I) ⁽¹⁾ ING Index Plus LargeCap Portfolio (Class I) ⁽¹⁾ ING Index Plus MidCap Portfolio (Class I) ⁽¹⁾ ING Index Plus SmallCap Portfolio (Class I) ⁽¹⁾ ING Intermediate Bond Portfolio (Class I) ⁽¹⁾ ING International Value Portfolio (Class I) ⁽¹⁾ ING JPMorgan Mid Cap Value Portfolio (S Class) ING JPMorgan Value Opportunities Portfolio (Class I) ING Legg Mason Partners Aggressive Growth Portfolio (I Class) ING Lord Abbett Affiliated Portfolio (Class I) ING Marsico Growth Portfolio (Class I) ING MFS Total Return Portfolio (Class S) ING MidCap Opportunities Portfolio (Class I) ⁽¹⁾ ING Money Market Portfolio (Class I) ⁽¹⁾ | ING Oppenheimer Global Portfolio (I Class) ING Oppenheimer Strategic Income Portfolio (I Class) ING Opportunistic LargeCap Growth Portfolio (Class I) ING Opportunistic LargeCap Portfolio (Class I) ⁽¹⁾ ING PIMCO Total Return Portfolio (S Class) ING Pioneer Equity Income Portfolio (Class I) ING Pioneer Fund Portfolio (Class I) ING Pioneer High Yield Portfolio (I Class) ING Pioneer Mid Cap Value Portfolio (Class I) ING Small Company Portfolio (Class I) ⁽¹⁾ ING SmallCap Opportunities Portfolio (Class I) ⁽¹⁾ ING Solution Income Portfolio (S Class) ⁽³⁾ ING Solution 2015 Portfolio (S Class) ⁽³⁾ ING Solution 2025 Portfolio (S Class) ⁽³⁾ ING Solution 2035 Portfolio (S Class) ⁽³⁾ ING Solution 2045 Portfolio (S Class) ⁽³⁾ ING Strategic Allocation Conservative Portfolio (Class I) ⁽¹⁾⁽³⁾ ING Strategic Allocation Growth Portfolio (Class I) ⁽¹⁾⁽³⁾ ING Strategic Allocation Moderate Portfolio (Class I) ⁽¹⁾⁽³⁾ ING T. Rowe Price Diversified Mid Cap Growth Portfolio (I Class) ING T. Rowe Price Equity Income Portfolio (Class S) ING T. Rowe Price Growth Equity Portfolio (I Class) ING Templeton Foreign Equity Portfolio (I Class) ING Thornburg Value Portfolio (I Class) ING UBS U.S. Large Cap Equity Portfolio (I Class) ING Van Kampen Capital Growth Portfolio (Class I) ING Van Kampen Comstock Portfolio (S Class) ING Van Kampen Equity and Income Portfolio (I Class) Lord Abbett Series Fund - Mid-Cap Value Portfolio (Class VC) Oppenheimer Main Street Small Cap Fund®/VA PIMCO VIT Real Return Portfolio (Administrative Class) Pioneer High Yield VCT Portfolio (Class I) Wanger Select Wanger USA |

1. This fund has changed its name to the name listed above. See "Appendix IV - Description of Underlying Funds" for a complete list of former and current name changes.
2. The ING GET U.S. Core Portfolio is not currently available for investment.
3. These portfolios are structured as fund of funds that invest directly in shares of underlying funds. See "Fees - Fund Fees and Expenses" for additional information.

Contract Prospectus – May 1, 2009 (continued)

Variable Investment Options. These options are called subaccounts. The subaccounts are within Variable Annuity Account C (the separate account), a separate account of the Company. Each subaccount invests in one of the mutual funds (funds) listed on the prior page. Earnings on amounts invested in a subaccount will vary depending upon the performance of its underlying fund. You do not invest directly in or hold shares of the funds.

Risks Associated With Investing in the Funds. The funds in which the subaccounts invest have various risks. Information about the risks of investing in the funds is located in the “Investment Options” section on page 11, and each fund prospectus. Read this prospectus in conjunction with the fund prospectuses and retain the prospectuses for future reference.

Fixed Interest Options.

- Guaranteed Interest Account (1992 and 1994 contracts only)
- Fixed Account
- Guaranteed Accumulation Account (2004 contracts only, where available)

Except as specifically mentioned, this prospectus describes only the variable investment options. However, we describe the fixed interest options in appendices to this prospectus. There is also a separate Guaranteed Accumulation Account prospectus.

Availability of Options. Some funds or fixed interest options may be unavailable through your contract or in your state.

Compensation. We pay compensation to broker-dealers whose registered representatives sell the contracts. See “Contract Distribution” for further information about the amount of compensation we pay.

Getting Additional Information. You may obtain the May 1, 2009 Statement of Additional Information (SAI) by indicating your request on your application or calling the Company at 1-800-262-3862 or writing to us at the address referenced under the “Contract Overview - Questions: Contacting the Company” section of the prospectus. You may also obtain an SAI for any of the funds, or a Guaranteed Accumulation Account prospectus, by calling that number. This prospectus, the Guaranteed Accumulation Account prospectus, the SAI and other information about the separate account may be obtained by accessing the Securities and Exchange Commission’s (SEC) website, <http://www.sec.gov>. Copies of this information may also be obtained, after paying a duplicating fee, by contacting the SEC Public Reference Branch. Information on the operations of the SEC Public Reference Branch may be obtained by calling 1-202-551-8090 or 1-800-SEC-0330, e-mailing publicinfo@sec.gov or by writing to SEC Public Reference Branch, 100 F Street, NE, Room 1580, Washington, DC 20549. When looking for information regarding the contracts offered through this prospectus, you may find it useful to use the number assigned to the registration statement under the Securities Act of 1933. This number is 033-75988. The number assigned to the registration statement for the Guaranteed Accumulation Account is 333-158492. The SAI table of contents is listed on page 44 of this prospectus. The SAI is incorporated into this prospectus by reference.

Additional Disclosure Information. Neither the SEC nor any state securities commission has approved or disapproved the securities offered through this prospectus or passed on the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense. We do not intend for this prospectus to be an offer to sell or a solicitation of an offer to buy these securities in any state that does not permit their sale. We have not authorized anyone to provide you with information that is different from that contained in this prospectus.

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Questions: Contacting the Company. To answer your questions, contact your sales representative or write or call our Home Office at:

ING USFS Customer Service
Defined Contribution
Administration
P.O. Box 990063
Hartford, CT 06199-0063
1-800-262-3862

Sending Forms and Written Requests in Good Order.

If you are writing to change your beneficiary, request a withdrawal, or for any other purpose, contact us or your sales representative to learn what information is required in order for the request to be in “good order.” By contacting us, we can provide you with the appropriate administrative form for your requested transaction.

Generally, a request is considered to be in “good order” when it is signed, dated and made with such clarity and completeness that we are not required to exercise any discretion in carrying it out.

We can only act upon written requests that are received in good order.

Contract Overview

The following is intended as a summary. Please read each section of this prospectus for additional information.

Contract Design

The contracts described in this prospectus are individual, deferred, fixed and variable annuity contracts. They are intended to be retirement savings vehicles that offer a variety of investment options to help meet long-term financial goals.

2004 Contracts, 1994 Contracts, and 1992 Contracts

Throughout the prospectus we refer to 2004 contracts, 1994 contracts, and 1992 contracts.

2004 Contracts. We began selling these contracts in April, 2004 (subject to regulatory approval) and we are currently selling these contracts. You have a 2004 contract if your contract form number, located at the bottom left corner of each page of your contract begins with IRA-CDA-03.

1994 Contracts. We began selling these contracts in 1994 and we are currently selling these contracts in states that have not approved the 2004 contract. You have a 1994 contract if your contract form number, located on the bottom left corner of each page of your contract, begins with the letters IRA-CDA-IC. In some cases the form number will appear as IRA-CDA-93, IRA-CDA-97, or IRA-CDA-98.

1992 Contracts. We began selling these contracts in 1992 and stopped sale of them during 1994. You have a 1992 contract if your contract form number, located on the bottom left corner of each page of your contract, begins with the letters IP-CDA-IB.

Contract Facts

Free Look/Right to Cancel. You may cancel your contract within ten days (some states require more than ten days) of receipt. See “Right to Cancel.”

Death Benefit. Your beneficiary may receive a financial benefit in the event of your death during both the accumulation and income phases. The availability of a death benefit during the income phase depends upon the income phase payment option selected. See “Death Benefit” and “The Income Phase.”

Withdrawals. During the accumulation phase, you may withdraw all or part of your account value. Certain fees, taxes and early withdrawal penalties may apply. See “Withdrawals” and “Taxation.” Amounts withdrawn from the Guaranteed Accumulation Account may be subject to a market value adjustment. See Appendix III.

Systematic Distribution Options. These are made available for you to receive periodic withdrawals from your account, while retaining the account in the accumulation phase. See “Systematic Distribution Options.”

Fees. Certain fees are deducted from your account value. See “Fee Table” and “Fees.”

Taxation. You generally will not pay taxes on any earnings from the annuity contracts described in this prospectus until they are withdrawn. Tax-qualified retirement arrangements (e.g., IRAs and Roth IRAs) also defer payment of taxes on earnings until they are withdrawn. Because you are considering an annuity for your IRA, you should know that the annuity contract does not provide any additional tax deferral of earnings beyond the tax deferral provided by other types of IRAs. However, annuities do provide other features and benefits (such as the guaranteed death benefit available under the 2004 contracts or the option of lifetime income phase options at established rates) that may be valuable to you. You should discuss your decision with your financial representative. Taxes will generally be due when you receive a distribution. Tax penalties may apply in some circumstances. See “Taxation.”

Contract Phases

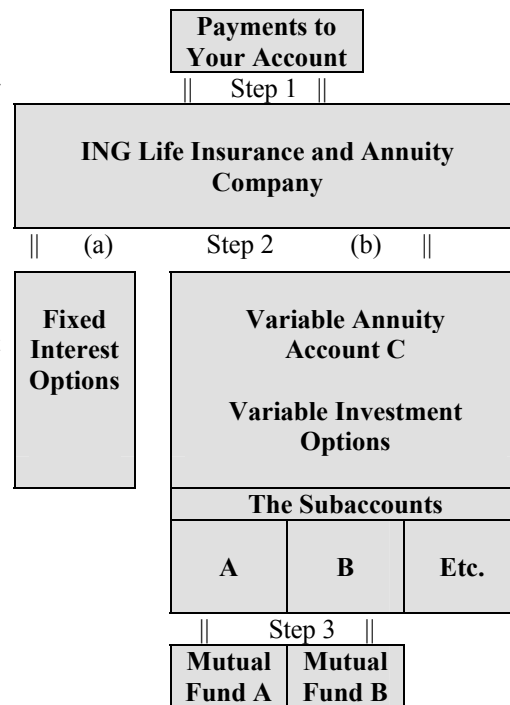
I. The Accumulation Phase (accumulating dollars under your contract)

STEP 1: You provide us with your completed application and initial purchase payment. We establish an account for you and credit that account with your initial purchase payment.

STEP 2: You direct us to invest your purchase payment in one or more of the following investment options:

- (a) Fixed Interest Options; or
- (b) Variable Investment Options (The variable investment options are the subaccounts of Variable Annuity Account C. Each one invests in a specific mutual fund.)

STEP 3: Each subaccount you select purchases shares of its corresponding fund.



II. The Income Phase (receiving income phase payments from your contract)

When you want to begin receiving payments from your contract, you may select from the options available. The contract offers several income phase payment options. See “The Income Phase.” In general, you may:

- Receive income phase payments for a specified period of time or for life;
- Receive income phase payments monthly, quarterly, semi-annually or annually;
- Select an income phase option that provides for payments to your beneficiary; and
- Select income phase payments that are fixed or vary based on the performance of the variable investment options you select.

Fee Table

In this Section:

- ▷ Maximum Contract Holder Transaction Expenses
- ▷ Annual Maintenance Fee
- ▷ Maximum Separate Account Annual Expenses
- ▷ Total Annual Fund Operating Expenses
- ▷ Hypothetical Examples
- ▷ Fees Deducted by the Funds

Also see the “Fees” section for:

- ▷ How, When and Why Fees are Deducted
- ▷ Reduction, Waiver and/or Elimination of Certain Fees
- ▷ Redemption Fees
- ▷ Premium and Other Taxes
- ▷ ING GET Fund Guarantee Charge

Also see “The Income Phase” Section for:

- ▷ Fees During the Income Phase

The following tables describe the fees and expenses that you will pay when buying, owning, and withdrawing from your contract. The first table describes the fees and expenses that you will pay at the time that you buy the contract, withdraw from the contract, or transfer cash value between investment options. State premium taxes may also be deducted.* See “The Income Phase” for fees that may apply after you begin receiving payments under the contract.

Maximum Contract Holder Transaction Expenses

Early Withdrawal Charge¹ (as a percentage of amount withdrawn)

Applicable to contracts issued with:

| | |
|-----------------------------|----|
| Early Withdrawal Schedule A | 1% |
| Early Withdrawal Schedule B | 5% |
| Early Withdrawal Schedule C | 6% |

Transfer Charges \$0.00 - \$10.00²

¹ This is a deferred sales charge. See “Fees - Early Withdrawal Charge” for a description of which early withdrawal charge schedule applies to each contract. The early withdrawal charge reduces over time. The total early withdrawal charge deducted will not exceed 8.5% of the total purchase payments made to the contract. These fees may be waived in certain circumstances. See the “Fees” section.

² During the accumulation phase, we allow you twelve free transfers among investment options each calendar year. We reserve the right to charge \$10 for each additional transfer. We currently do not impose this charge. See “Transfers Among Investment Options.”

The next table describes the fees and expenses that you will pay periodically during the time that you own the contract, not including fund fees and expenses.

Annual Maintenance Fee \$25.00³

Maximum Separate Account Annual Expenses
(as a percentage of average account value)

| | |
|----------------------------------------|----------------------------|
| Mortality and Expense Risk Charge | 1.25% ⁴ |
| Administrative Expense Charge | 0.00% - 0.25% ⁵ |
| ING GET Fund Guarantee Charge | <u>0.25%⁶</u> |
| Total Separate Account Annual Expenses | <u>1.50% - 1.75%</u> |

³ The annual maintenance fee may be waived if your account value is \$10,000 or greater on the day before the maintenance fee is deducted. Additionally, for 1992 contracts, if the initial purchase payment was \$10,000 or greater, the annual maintenance fee is \$0. See “Fees - Annual Maintenance Fee.”

⁴ This illustrates the maximum mortality and expense risk charge that may be deducted under the contracts. For 2004 and 1994 contracts, which we currently sell, this charge may be reduced to 1.15% under certain circumstances. See “Fees - Mortality and Expense Risk Charge.”

⁵ We currently do not impose this charge. However, if allowed by your contract, we reserve the right to charge up to 0.25% annually. See “Fees - Administrative Expense Charge.”

⁶ The ING GET Fund Guarantee Charge is deducted daily during the guarantee period only from amounts allocated to the ING GET U.S. Core Portfolio investment option. See “Investment Options - ING GET U.S. Core Portfolio” and “Fees - ING GET U.S. Core Portfolio Guarantee Charge” for a description of the ING GET Fund guarantee charge. We are not currently offering any series of the ING GET U.S. Core Portfolio for investment.

* State premium taxes (which currently range from 0% to 4% of premium payments) may apply, but are not reflected in the fee tables or examples. See “Fees - Premium and Other Taxes.”

The next item shows the minimum and maximum total operating expenses charged by the funds that you may pay periodically during the time that you own the contract, without taking into account any fee waiver or expense reimbursement arrangements that may apply. The minimum and maximum expenses listed below are based on expenses for the funds' most recent fiscal year ends. More detail concerning each fund's fees and expenses is contained in the prospectus for each fund.

| Total Annual Fund Operating Expenses (expenses that are deducted from fund assets, including management fees, distribution (12b-1) and/or service fees, and other expenses) | Minimum | Maximum |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| | 0.35% | 1.50% |

Hypothetical Examples

The following Examples are intended to help you compare the cost of investing in the contract with the cost of investing in other variable annuity contracts. These costs include contract holder transaction expenses, contract fees, separate account annual expenses including the annual maintenance fee of \$25 (converted to a percentage of assets equal to 0.116%), and fund fees and expenses.

Example 1: The following Examples assume that you invest \$10,000 in the contract for the time periods indicated. The Examples also assume that your investment has a 5% return each year and assume the **maximum** fees and expenses of any of the funds. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

| | (A) If you withdraw your entire account value at the end of the applicable time period: | | | | (B) If you do not withdraw your entire account value or if you select an income phase payment option at the end of the applicable time period*: | | | |
|---------------------------------------------|------------------------------------------------------------------------------------------------|-----------------------|-----------------------|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|------------------------|
| | <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> | <u>10 Years</u> | <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> | <u>10 Years</u> |
| Based on Early Withdrawal Schedule A | \$315 | \$962 | \$1,633 | \$3,426 | \$315 | \$962 | \$1,633 | \$3,426 |
| Based on Early Withdrawal Schedule B | \$824 | \$1,490 | \$2,072 | \$3,426 | \$315 | \$962 | \$1,633 | \$3,426 |
| Based on Early Withdrawal Schedule C | \$926 | \$1,385 | \$1,853 | \$3,426 | \$315 | \$962 | \$1,633 | \$3,426 |

Example 2: The following Examples assume that you invest \$10,000 in the contract for the time periods indicated. The Examples also assume that your investment has a 5% return each year and assume the **minimum** fees and expenses of any of the funds. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

| | (A) If you withdraw your entire account value at the end of the applicable time period: | | | | (B) If you do not withdraw your entire account value or if you select an income phase payment option at the end of the applicable time period*: | | | |
|---------------------------------------------|------------------------------------------------------------------------------------------------|-----------------------|-----------------------|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|------------------------|
| | <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> | <u>10 Years</u> | <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> | <u>10 Years</u> |
| Based on Early Withdrawal Schedule A | \$200 | \$617 | \$1,060 | \$2,292 | \$200 | \$617 | \$1,060 | \$2,292 |
| Based on Early Withdrawal Schedule B | \$715 | \$1,164 | \$1,525 | \$2,292 | \$200 | \$617 | \$1,060 | \$2,292 |
| Based on Early Withdrawal Schedule C | \$818 | \$1,055 | \$1,293 | \$2,292 | \$200 | \$617 | \$1,060 | \$2,292 |

* Example B will not apply during the income phase if you select a nonlifetime income phase payment option with variable payments and take a lump-sum withdrawal within five years after you begin receiving payments (or within three years for 1992 contracts). In these circumstances, the lump-sum payment is treated as a withdrawal during the accumulation phase and may be subject to an early withdrawal charge. Refer to Example A.

Fees Deducted by the Funds

Fund Fee Information. The fund prospectuses show the investment advisory fees, 12b-1 fees and other expenses including service fees (if applicable) charged annually by each fund. See the “Fees” section of this prospectus, and the fund prospectuses, for further information. Fund fees are one factor that impact the value of a fund share. To learn about additional factors, refer to the fund prospectuses.

The Company may receive compensation from each of the funds or the funds’ affiliates based on an annual percentage of the average net assets held in that fund by the Company. The percentage paid may vary from one fund company to another. For certain funds, some of this compensation may be paid out of 12b-1 fees or service fees that are deducted from fund assets. Any such fees deducted from fund assets are disclosed in the fund prospectuses. The Company may also receive additional compensation from certain funds for administrative, recordkeeping or other services provided by the Company to the funds or the funds’ affiliates. These additional payments may also be used by the Company to finance distribution. These additional payments are made by the funds or the funds’ affiliates to the Company and do not increase, directly or indirectly, the fund fees and expenses. See “Fees - Fund Fees and Expenses” for additional information.

In the case of fund companies affiliated with the Company, where an affiliated investment adviser employs subadvisers to manage the funds, no direct payments are made to the Company or the affiliated investment adviser by the subadvisers. Subadvisers may provide reimbursement for employees of the Company or its affiliates to attend business meetings or training conferences. Investment management fees are apportioned between the affiliated investment adviser and subadviser. This apportionment varies by subadviser, resulting in varying amounts of revenue retained by the investment adviser. This apportionment of the investment advisory fee does not increase, directly or indirectly, fund fees and expenses. See “Fees - Fund Fees and Expenses” for additional information.

How Fees are Deducted. Fees are deducted from the value of the fund shares on a daily basis, which in turn affects the value of each subaccount that purchases fund shares.

Condensed Financial Information

Understanding Condensed Financial Information. In Appendix V of this prospectus, we provide condensed financial information about the Variable Annuity Account C subaccounts you may invest in through the contract. The numbers show the year-end unit values of each subaccount over the past ten years. For subaccounts that were not available ten years ago, we give a history from the date of first availability.

Financial Statements. The statements of assets and liabilities, the statements of operations, the statements of changes in net assets and the related notes to financial statements for Variable Annuity Account C and the consolidated financial statements and the related notes to financial statements for ING Life Insurance and Annuity Company are located in the Statement of Additional Information.

Variable Annuity Account C

We established Variable Annuity Account C (the separate account) under Connecticut Law in 1976 as a continuation of the separate account established in 1974 under Arkansas Law by Aetna Variable Annuity Life Insurance Company. The separate account was established as a segregated asset account to fund our variable annuity contracts. The separate account is registered as a unit investment trust under the Investment Company Act of 1940. It also meets the definition of “separate account” under the federal securities laws.

The separate account is divided into subaccounts. Each subaccount invests directly in shares of a pre-assigned fund.

Although we hold title to the assets of the separate account, such assets are not chargeable with the liabilities of any other business that we conduct. Income, gains or losses of the separate account are credited to or charged against the assets of the separate account without regard to other income, gains or losses of ING Life Insurance and Annuity Company. All obligations arising under the contracts are obligations of ING Life Insurance and Annuity Company.

The Company

ING Life Insurance and Annuity Company (the Company, we, us) issues the contracts described in this prospectus and is responsible for providing each contract’s insurance and annuity benefits. We are a direct, wholly owned subsidiary of Lion Connecticut Holding Inc.

We are a stock life insurance company organized under the insurance laws of the State of Connecticut in 1976 and an indirect wholly owned subsidiary of ING Groep N.V. (“ING”), a global financial institution active in the fields of insurance, banking and asset management. Through a merger, our operations include the business of Aetna Variable Annuity Life Insurance Company (formerly known as Participating Annuity Life Insurance Company, an Arkansas life insurance company organized in 1954). Prior to January 1, 2002, the Company was known as Aetna Life Insurance and Annuity Company.

We are engaged in the business of issuing life insurance and annuities. Our principal executive offices are located at:

One Orange Way
Windsor, Connecticut 06095-4774

Regulatory Developments - the Company and the Industry. As with many financial services companies, the Company and its affiliates have received informal and formal requests for information from various state and federal governmental agencies and self-regulatory organizations in connection with inquiries and investigations of the products and practices of the financial services industry. In each case, the Company and its affiliates have been and are providing full cooperation.

Insurance and Retirement Plan Products and Other Regulatory Matters. Federal and state regulators and self-regulatory agencies are conducting broad inquiries and investigations involving the insurance and retirement industries. These initiatives currently focus on, among other things, compensation, revenue sharing, and other sales incentives; potential conflicts of interest; sales and marketing practices (including sales to seniors); specific product types (including group annuities and indexed annuities); and disclosure. The Company and certain of its U.S. affiliates have received formal and informal requests in connection with such investigations, and have cooperated and are cooperating fully with each request for information. Some of these matters could result in regulatory action involving the Company.

These initiatives also may result in new legislation and regulation that could significantly affect the financial services industry, including businesses in which the Company is engaged.

In light of these and other developments, U.S. affiliates of ING, including the Company, periodically review whether modifications to their business practices are appropriate.

Investment Product Regulatory Issues. Since 2002, there has been increased governmental and regulatory activity relating to mutual funds and variable insurance products. This activity has primarily focused on inappropriate trading of fund shares; directed brokerage; compensation; sales practices, suitability, and supervision; arrangements with service providers; pricing; compliance and controls; adequacy of disclosure; and document retention.

In addition to responding to governmental and regulatory requests on fund trading issues, ING management, on its own initiative, conducted, through special counsel and a national accounting firm, an extensive internal review of mutual fund trading in ING insurance, retirement, and mutual fund products. The goal of this review was to identify any instances of inappropriate trading in those products by third parties or by ING investment professionals and other ING personnel.

The internal review identified several isolated arrangements allowing third parties to engage in frequent trading of mutual funds within the variable insurance and mutual fund products of certain affiliates of the Company, and identified other circumstances where frequent trading occurred despite measures taken by ING intended to combat market timing. Each of the arrangements has been terminated and disclosed to regulators, to the independent trustees of ING Funds (U.S.) and in Company reports previously filed with the Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934, as amended.

Action has been or may be taken by regulators with respect to certain ING affiliates before investigations relating to fund trading are completed. The potential outcome of such action is difficult to predict but could subject certain affiliates to adverse consequences, including, but not limited to, settlement payments, penalties, and other financial liability. It is not currently anticipated, however, that the actual outcome of any such action will have a material adverse effect on ING or ING's U.S. based operations, including the Company.

ING has agreed to indemnify and hold harmless the ING Funds from all damages resulting from wrongful conduct by ING or its employees or from ING's internal investigation, any investigations conducted by any governmental or self-regulatory agencies, litigation or other formal proceedings, including any proceedings by the SEC. Management reported to the ING Funds Board that ING management believes that the total amount of any indemnification obligations will not be material to ING or ING's U.S. based operations, including the Company.

Product Regulation. Our products are subject to a complex and extensive array of state and federal tax, securities and insurance laws, and regulations, which are administered and enforced by a number of governmental and self-regulatory authorities. In addition, state and federal securities and insurance laws impose requirements relating to insurance and annuity product design, offering and distribution, and administration. Failure to meet any of these complex tax, securities, or insurance requirements could subject the Company to administrative penalties, unanticipated remediation, or other claims and costs.

Investment Options

The contract offers variable investment options and fixed interest options.

Variable Investment Options. These options are called subaccounts. The subaccounts are within Variable Annuity Account C, a separate account of the Company. Each subaccount invests in a specific mutual fund. You do not invest directly in or hold shares in the funds.

- ▷ **Mutual Fund (fund) Descriptions.** We provide brief descriptions of the funds in Appendix IV. Investment results of the funds are likely to differ significantly and there is no assurance that any of the funds will achieve their respective investment objectives. Shares of the funds will rise and fall in value and you could lose money by investing in the funds. Shares of the funds are not bank deposits and are not guaranteed, endorsed or insured by any financial institution, the Federal Deposit Insurance Corporation or any other government agency. Unless otherwise noted, all funds are diversified as defined under the Investment Company Act of 1940. Please refer to the fund prospectuses for additional information. Fund prospectuses may be obtained free of charge at the address and telephone number listed in “Contract Overview - Questions: Contacting the Company,” by accessing the SEC’s website or by contacting the SEC Public Reference Branch.

Fixed Interest Options. For descriptions of the fixed interest options, see Appendices I, II and III and the Guaranteed Accumulation Account prospectus. The Guaranteed Accumulation Account prospectus may be obtained free of charge at the address and telephone number listed in “Contract Overview - Questions: Contacting the Company,” by accessing the SEC’s website or by contacting the SEC Public Reference Branch.

ING GET U.S. Core Portfolio. An ING GET U.S. Core Portfolio (“ING GET Fund”) series may be available during the accumulation phase of the contract. We make a guarantee, as described below, when you allocate money into an ING GET Fund series. Each ING GET Fund series has an offering period of three months or longer, which precedes the guarantee period. The ING GET Fund investment option may not be available under your contract, under your plan, or in your state.

Various series of the ING GET Fund may be offered from time to time and additional charges will apply if you elect to invest in one of these series. We are not currently offering any series of the ING GET fund for investment. The Company makes a guarantee when you direct money into an ING GET Fund series. We guarantee that the value of an accumulation unit of the ING GET Fund subaccount for that series under the contract on the maturity date will not be less than its value as determined after the close of business on the last day of the offering period for that ING GET Fund series. If the value on the maturity date is lower than it was on the last day of the offering period, we will add funds to the ING GET Fund subaccount for that series to make up the difference. This means that if you remain invested in the ING GET Fund series until the maturity date, at the maturity date, you will receive no less than the value of your separate account investment directed to the ING GET Fund series as of the last day of the offering period, less charges not reflected in the accumulation unit value such as the maintenance fee and less any amounts you transfer or withdraw from the ING GET Fund subaccount for that series. The value of dividends and distributions made by the ING GET Fund series throughout the guarantee period is taken into account in determining whether, for purposes of the guarantee, the value of your ING GET Fund investment on the maturity date is no less than its value as of the last day of the offering period. If you withdraw or transfer funds from an ING GET Fund series prior to the maturity date, we will process the transactions at the actual unit value next determined after we receive your request. The ING GET Fund subaccount is not available for dollar cost averaging, automatic rebalancing, or for income phase payments.

Before the maturity date, we will send a notice to each participant who has allocated amounts to the ING GET Fund series. This notice will remind you that the maturity date is approaching and that you must choose other investment options for your ING GET Fund series amounts. If you do not make a choice, on the maturity date we will transfer your ING GET Fund series amounts to another available series of the ING GET Fund that is then accepting deposits under your contract or plan.

If no ING GET Fund is then available under your contract or plan, we will transfer your ING GET Fund series amounts to a balanced fund advised by ING Investments, LLC (or another adviser affiliated with the Company) available under the contract that has the best 5-year standardized performance. If there are no such balanced funds available under the contract, we will transfer your ING GET Fund series amounts to a core U.S. equity fund advised by ING Investments, LLC (or another adviser affiliated with the Company) available under the contract that has the best 5-year standardized performance. All amounts not transferred to a new ING GET Fund series, as outlined above, will be subject to market risk including the possible loss of principal.

Please see the ING GET U.S. Core Portfolio prospectus for a complete description of the ING GET Fund investment option, including charges and expenses.

Selecting Investment Options

- **Choose options appropriate for you.** Your sales representative can help you evaluate which investment options may be appropriate for your financial goals.
- **Understand the risks associated with the options you choose.** Some subaccounts invest in funds that are considered riskier than others. Funds with additional risks are expected to have values that rise and fall more rapidly and to a greater degree than other funds. For example, funds investing in foreign or international securities are subject to risks not associated with domestic investments, and their investment performance may vary accordingly. Also, funds using derivatives in their investment strategy may be subject to additional risks.
- **Be informed.** Read this prospectus, the fund prospectuses, the Guaranteed Interest Account, Fixed Account and Guaranteed Accumulation Account appendices and the Guaranteed Accumulation Account prospectus.

Limits on Availability of Options. Some funds or fixed interest options may be unavailable through your contract or in your state. We may add, withdraw or substitute funds, subject to the conditions in your contract and compliance with regulatory requirements. In the case of a substitution, the new fund may have different fees and charges than the fund it replaced.

Limits on How Many Investment Options You May Select. You may select no more than 18 investment options during the accumulation phase. Each subaccount, the Fixed Account, and each classification of the Guaranteed Interest Account and Guaranteed Accumulation Account that you select is considered an investment option, even if you no longer have amounts allocated to it. For 2004 and 1994 contracts, you may select no more than 10 investment options at any one time.

Additional Risks of Investing in the Funds (Mixed and Shared Funding)

Insurance-Dedicated Funds. *(Mixed and Shared Funding)* The funds described in this prospectus are available only to insurance companies for their variable contracts (or directly to certain retirement plans, as allowed by the Tax Code). Such funds are often referred to as “insurance-dedicated funds,” and are used for “mixed” and “shared” funding.

“Mixed funding” occurs when shares of a fund, which the subaccount buys for variable annuity contracts, are bought for variable life insurance contracts issued by us or other insurance companies.

“Shared funding” occurs when shares of a fund, which the subaccount buys for variable annuity contracts, are also bought by other insurance companies for their variable annuity contracts.

- Mixed - bought for annuities and life insurance.
- Shared - bought by more than one company.

Possible Conflicts of Interest. It is possible that a conflict of interest may arise due to mixed and shared funding, a change in law affecting the operations of variable annuity separate accounts, differences in the voting instructions of the contract holder and others maintaining a voting interest in the funds, or some other reason. Such a conflict could adversely impact the value of a fund. For example, if a conflict of interest occurred and one of the subaccounts withdrew its investment in a fund, the fund may be forced to sell its securities at disadvantageous prices, causing its share value to decrease. Each fund's board of directors or trustees will monitor events in order to identify any material irreconcilable conflicts which may arise and to determine what action, if any, should be taken to address such conflicts. In the event of a conflict, the Company will take any steps necessary to protect contract holders and annuitants maintaining a voting interest in the funds, including the withdrawal of Variable Annuity Account C from participation in the funds that are involved in the conflict.

Transfers Among Investment Options

During the accumulation phase, you may transfer amounts among the available subaccounts. We allow you 12 free transfers each calendar year. We reserve the right to charge \$10.00 for each additional transfer. We currently do not impose this charge. Transfers to an ING GET Fund series may only be made during the offering period for that ING GET Fund series.

Transfers from fixed interest options are restricted as outlined in Appendices I, II and III. Transfers must be made in accordance with the terms of the contract. You may not make transfers once you enter the income phase. See "The Income Phase."

Transfer Requests. Requests may be made in writing, by telephone or, where applicable, electronically.

Limits on Frequent or Disruptive Transfers

The contract is not designed to serve as a vehicle for frequent transfers. Frequent transfer activity can disrupt management of a fund and raise its expenses through:

- Increased trading and transaction costs;
- Forced and unplanned portfolio turnover;
- Lost opportunity costs; and
- Large asset swings that decrease the fund's ability to provide maximum investment return to all contract owners.

This in turn can have an adverse effect on fund performance. **Accordingly, individuals or organizations that use market-timing investment strategies or make frequent transfers should not purchase the contract.**

Excessive Trading Policy. We and the other members of the ING family of companies that provide multi-fund variable insurance and retirement products have adopted a common Excessive Trading Policy to respond to the demands of the various fund families that make their funds available through our products to restrict excessive fund trading activity and to ensure compliance with Rule 22c-2 of the 1940 Act.

We actively monitor fund transfer and reallocation activity within our variable insurance products to identify violations of our Excessive Trading Policy. Our Excessive Trading Policy is violated if fund transfer and reallocation activity:

- Meets or exceeds our current definition of Excessive Trading, as defined below; or
- Is determined, in our sole discretion, to be disruptive or not in the best interests of other owners of our variable insurance and retirement products.

We currently define “Excessive Trading” as:

- More than one purchase and sale of the same fund (including money market funds) within a 60 calendar day period (hereinafter, a purchase and sale of the same fund is referred to as a “round-trip”). This means two or more round-trips involving the same fund within a 60 calendar day period would meet our definition of Excessive Trading; or
- Six round-trips involving the same fund within a rolling twelve month period.

The following transactions are excluded when determining whether trading activity is excessive:

- Purchases or sales of shares related to non-fund transfers (for example, new purchase payments, withdrawals and loans);
- Transfers associated with scheduled dollar cost averaging, scheduled rebalancing, or scheduled asset allocation programs;
- Purchases and sales of fund shares in the amount of \$5,000 or less;
- Purchases and sales of funds that affirmatively permit short-term trading in their fund shares, and movement between such funds and a money market fund; and
- Transactions initiated by us, another member of the ING family of companies, or a fund.

If we determine that an individual or entity has made a purchase of a fund within 60 days of a prior round-trip involving the same fund, we will send them a letter (once per year) warning that another sale of that same fund within 60 days of the beginning of the prior round-trip will be deemed to be Excessive Trading and result in a six month suspension of their ability to initiate fund transfers or reallocations through the Internet, facsimile, Voice Response Unit (VRU), telephone calls to the ING Customer Service Center, or other electronic trading medium that we may make available from time to time (“Electronic Trading Privileges”). Likewise, if we determine that an individual or entity has made five round-trips involving the same fund within a rolling twelve month period, we will send them a letter warning that another purchase and sale of that same fund within twelve months of the initial purchase in the first round-trip will be deemed to be Excessive Trading and result in a suspension of their Electronic Trading Privileges. According to the needs of the various business units, a copy of any warning letters may also be sent, as applicable, to the person(s) or entity authorized to initiate fund transfers or reallocations, the agent/registered representative, or the investment adviser for that individual or entity. A copy of the warning letters and details of the individual’s or entity’s trading activity may also be sent to the fund whose shares were involved in the trading activity.

If we determine that an individual or entity has violated our Excessive Trading Policy, we will send them a letter stating that their Electronic Trading Privileges have been suspended for a period of six months. Consequently, all fund transfers or reallocations, not just those that involve the fund whose shares were involved in the activity that violated our Excessive Trading Policy, will then have to be initiated by providing written instructions to us via regular U.S. mail. Suspension of Electronic Trading Privileges may also extend to products other than the product through which the Excessive Trading activity occurred. During the six month suspension period, electronic “inquiry only” privileges will be permitted where and when possible. A copy of the letter restricting future transfer and reallocation activity to regular U.S. mail and details of the individual’s or entity’s trading activity may also be sent, as applicable, to the person(s) or entity authorized to initiate fund transfers or reallocations, the agent/registered representative or investment adviser for that individual or entity, and the fund whose shares were involved in the activity that violated our Excessive Trading Policy.

Following the six month suspension period during which no additional violations of our Excessive Trading Policy are identified, Electronic Trading Privileges may again be restored. We will continue to monitor the fund transfer and reallocation activity, and any future violations of our Excessive Trading Policy will result in an indefinite suspension of Electronic Trading Privileges. A violation of our Excessive Trading Policy during the six month suspension period will also result in an indefinite suspension of Electronic Trading Privileges.

We reserve the right to suspend Electronic Trading Privileges with respect to any individual or entity, with or without prior notice, if we determine, in our sole discretion, that the individual's or entity's trading activity is disruptive or not in the best interests of other owners of our variable insurance and retirement products, regardless of whether the individual's or entity's trading activity falls within the definition of Excessive Trading set forth above.

Our failure to send or an individual's or entity's failure to receive any warning letter or other notice contemplated under our Excessive Trading Policy will not prevent us from suspending that individual's or entity's Electronic Trading Privileges or taking any other action provided for in our Excessive Trading Policy.

The Company does not allow exceptions to our Excessive Trading Policy. We reserve the right to modify our Excessive Trading Policy, or the policy as it relates to a particular fund, at any time without prior notice, depending on, among other factors, the needs of the underlying fund(s), the best interests of contract owners and fund investors, and/or state or federal regulatory requirements. If we modify our policy, it will be applied uniformly to all contract owners or, as applicable, to all contract owners investing in the underlying fund.

Our Excessive Trading Policy may not be completely successful in preventing market-timing or excessive trading activity. If it is not completely successful, fund performance and management may be adversely affected, as noted above.

Limits Imposed by the Funds. Each underlying fund available through the variable insurance and retirement products offered by us and/or the other members of the ING family of companies, either by prospectus or stated policy, has adopted or may adopt its own excessive/frequent trading policy, and orders for the purchase of fund shares are subject to acceptance or rejection by the underlying fund. We reserve the right, without prior notice, to implement fund purchase restrictions and/or limitations on an individual or entity that the fund has identified as violating its excessive/frequent trading policy and to reject any allocation or transfer request to a subaccount if the corresponding fund will not accept the allocation or transfer for any reason. All such restrictions and/or limitations (which may include, but are not limited to, suspension of Electronic Trading Privileges and/or blocking of future purchases of a fund or all funds within a fund family) will be done in accordance with the directions we receive from the fund.

Agreements to Share Information with Fund Companies. As required by Rule 22c-2 under the 1940 Act, we have entered into information sharing agreements with each of the fund companies whose funds are offered through the contract. Contract owner trading information is shared under these agreements as necessary for the fund companies to monitor fund trading and our implementation of our Excessive Trading Policy. Under these agreements, the Company is required to share information regarding contract owner transactions, including but not limited to information regarding fund transfers initiated by you. In addition to information about contract owner transactions, this information may include personal contract owner information, including names and social security numbers or other tax identification numbers.

As a result of this information sharing, a fund company may direct us to restrict a contract owner's transactions if the fund determines that the contract owner has violated the fund's excessive/frequent trading policy. This could include the fund directing us to reject any allocations of purchase payments or contract value to the fund or all funds within the fund family.

Value of Transferred Dollars. The value of amounts transferred into or out of the funds will be based on the subaccount unit values next determined after we receive your transfer request in good order at our Home Office, or if you are participating in the dollar cost averaging program, after your scheduled transfer or reallocation.

Telephone and Electronic Transactions: Security Measures. To prevent fraudulent use of telephone and electronic transactions (including, but not limited to, Internet transactions), we have established security procedures. These include recording calls on our toll-free telephone lines and requiring use of a personal identification number (PIN) to execute transactions. You are responsible for keeping your PIN and account information confidential. If we fail to follow reasonable security procedures, we may be liable for losses due to unauthorized or fraudulent telephone or other electronic transactions. We are not liable for losses resulting from telephone or electronic instructions we believe to be genuine. If a loss occurs when we rely on such instructions, you will bear the loss.

The Dollar Cost Averaging Program. The 2004 and 1994 contracts permit participation in our dollar cost averaging program. Dollar cost averaging is an investment strategy whereby you purchase fixed dollar amounts of an investment at regular intervals, regardless of price. Under this program a fixed dollar amount is automatically transferred from certain variable investment options to one or more of the subaccounts you select. The amount applied must be no less than \$100 per month over a period of at least 12 months. Allocations for periods of longer than 24 months must be consented to by the Company. Dollar cost averaging is not permitted into the ING GET Fund subaccount and is not available for fixed interest options (the Fixed Account, the Guaranteed Interest Account or the Guaranteed Accumulation Account).

Dollar cost averaging neither ensures a profit nor guarantees against loss in a declining market. You should consider your financial ability to continue purchases through periods of low price levels. There is no additional charge for this program and transfers made under this program do not count as transfers when determining the number of free transfers that may be made each calendar year. For additional information about this program, contact your sales representative or call us at the number listed in the “Contract Overview - Questions: Contacting the Company” section.

Dollar cost averaging is not available if you elect to participate in the account rebalancing program. Subaccount reallocations or changes outside of the dollar cost averaging may affect the program. Changes such as fund mergers, substitutions, or closures may also affect the program.

The Account Rebalancing Program. Under the 2004 contracts you may participate in account rebalancing. Account rebalancing allows you to reallocate your account value to match the investment allocations you originally selected. Only account values invested in the subaccounts (excluding the ING GET Fund subaccount) may be rebalanced. We automatically reallocate your account value annually (or more frequently as we allow). Account rebalancing neither ensures a profit nor guarantees against loss in a declining market. There is no additional charge for this program. If available under your contract, you may participate in this program by completing the account rebalancing election form or by contacting the Company at: ING, USFS Customer Service, Defined Contribution Administration, ATTN: Central Rollover Unit, One Orange Way, Windsor, CT 06095-4774, phone: 1-800-262-3862, fax: 1-800-643-8143.

Account rebalancing is not available if you elect to participate in the dollar cost averaging program. Subaccount reallocations or changes outside of the account rebalancing program may affect the program. Changes such as fund mergers, substitutions, or closures may also affect the program.

Purchase

Contracts Available for Purchase. The contracts available for purchase are intended to qualify under the Tax Code as one of the following:

- ▷ A traditional Individual Retirement Annuity (IRA) under Tax Code section 408(b); or
- ▷ A Roth IRA under Tax Code section 408A.

The traditional IRA may be used as a funding option for a Simplified Employee Pension (SEP) plan under Tax Code section 408(k). The contract is not available as a “Simple IRA” as defined in Tax Code section 408(p).

When considering whether to purchase or participate in the contract, you should consult with your financial representative about your financial goals, investment time horizon and risk tolerance.

Eligibility. Eligibility to contribute to a traditional IRA on a pre-tax basis or to establish a Roth IRA or to rollover or transfer from a traditional IRA to a Roth IRA depends upon your adjusted gross income.

How to Purchase. Complete the application and submit it and your initial purchase payment to the Company directly or through your sales representative. An account will not be set up until payment is received.

Acceptance or Rejection of your Application. We must accept or reject your application within two business days of receipt. If the application is incomplete, we may hold any forms and accompanying purchase payment(s) for five business days. We may hold purchase payments for longer periods, pending acceptance of the application only with your permission. If the application is rejected, the application and any purchase payments will be returned to you.

Purchase Payment Methods. The following purchase payment methods are allowed:

- Annual contributions. The initial purchase payment must be at least \$5,000 and subsequent payments may be added as long as they meet our minimum requirements in place at that time. Installment purchase payments are allowed, provided that each installment purchase payment must be at least \$85 (or \$1,000 annually). Monthly installments must be made via automatic bank check plan (Pre-authorized Payment Plan Agreement). The first payment must be received with the application. We reserve the right to waive or modify these requirements on a nondiscriminatory basis.
- Rollovers or transfers from one or more of the following sources:
 - A traditional IRA under Tax Code section 408(b);
 - A Roth IRA under Tax Code section 408A;
 - An individual retirement account under Tax Code section 408(a) or 403(a);
 - A tax-deferred annuity or custodial account under Tax Code section 403(b);
 - A qualified pension or profit sharing plan under Tax Code section 401(a) or 401(k); or
 - A governmental plan that qualifies under Tax Code section 457(b).

Rollovers or transfers must meet current minimum underwriting requirements, and subsequent rollovers or payments may be added as long as they meet our minimum requirements at time of deposit.

Rollovers and direct transfers are permitted from a 401, 403(a), 403(b) or governmental 457(b) arrangement to a traditional IRA, and beginning in 2008, to a Roth IRA, subject to payment of ordinary income tax.

Factors to Consider in the Purchase Decision. The decision to purchase the contract should be discussed with your financial representative. Make sure that you understand the investment options it provides, its other features, the risks and potential benefits you will face, and the fees and expenses you will incur when, together with your financial representative, you consider an investment in the contract. You should pay attention to the following issues, among others:

- (1) **Long-Term Investment** - This contract is a long-term investment, and is typically most useful as part of a personal retirement plan. Early withdrawals may be restricted by the Tax Code or your plan or may expose you to early withdrawal charges or tax penalties. The value of deferred taxation on earnings grows with the amount of time funds are left in the contract. You should not participate in this contract if you are looking for a short-term investment or expect to need to make withdrawals before you are 59½.
- (2) **Investment Risk** - The value of investment options available under this contract may fluctuate with the markets and interest rates. You should not participate in this contract in order to invest in these options if you cannot risk getting back less money than you put in.
- (3) **Features and Fees** - The fees for this contract reflect costs associated with the features and benefits it provides. As you consider this contract, you should determine the value that these various benefits and features have for you, given your particular circumstances, and consider the charges for those features.
- (4) **Exchanges** - Replacing an existing insurance contract with this contract may not be beneficial to you. If this contract will be a replacement for another annuity contract, you should compare the two contracts carefully, compare the costs associated with each, and identify additional benefits available under this contract. You should consider whether these additional benefits justify incurring a new schedule of early withdrawal charges or any increased charges that might apply under this contract. Also, be sure to talk to your financial professional or tax adviser to make sure that the exchange will be handled so that it is tax-free.

Purchase in the State of New York. The 1994 contract is not available in the State of New York.

Allocating Purchase Payments to the Investment Options. We will allocate your purchase payments among the investment options you select. Allocations must be in whole percentages and there may be limits on the number of investment options you may select. When selecting investment options, you may find it helpful to review the “Investment Options” section.

Other Products. We and our affiliates offer various other products with different features and terms than these contracts, which may offer some or all of the same funds. These products have different benefits, fees and charges, and may offer different share classes of the funds offered in this contract that are less expensive. These other products may or may not better match your needs. You should be aware that there are alternative options available, and, if you are interested in learning more about these other products, contact your registered representative.

Right to Cancel

When and How to Cancel. You may cancel your contract within ten days of receipt (some states require more than ten days) by returning it to our Home Office along with a written notice of cancellation.

Refunds. We will issue you a refund within seven calendar days of our receipt of your contract and notice of cancellation. Your refund will equal all purchase payments made.

If the purchase payments for your cancelled contract came from a rollover from another contract issued by us or one of our affiliates where an early withdrawal charge was reduced or eliminated, the purchase payments will be restored to your prior contract.

Replacement Contracts Issued After April 1, 2004. Subject to regulatory approval of the 2004 contracts, you may cancel your contract within ten days of receipt (some states require more than ten days) by returning it to our Home Office along with a notice of cancellation. Your refund will equal all purchase payments made if canceled within 10 days. After 10 days, your refund will equal amounts contributed to the contract or account(s), as applicable, plus any earnings or less any losses attributable to the investment options in which amounts were invested, except in states that require return of premium throughout the free look period.

Fees

The following repeats and adds to information provided in the “Fee Table” section. Please review both sections for information on fees.

Transaction Fees

Early Withdrawal Charge

Withdrawals of all or a portion of your account value may be subject to a charge. In the case of a partial withdrawal, the amount withdrawn from your account will be the amount you specified plus adjustment for any applicable early withdrawal charge.

Amount. The charge is a percentage of the amount that you withdraw. The percentage will be determined by the early withdrawal charge schedule that applies to your contract. The schedules are listed below and appear on your contract schedule page. The charge will never be more than 8.5% of your total purchase payments to the contract.

Purpose. This is a deferred sales charge. It reimburses us for some of the sales and administrative expenses associated with the contract. If our expenses are greater than the amount we collect for the early withdrawal charge, we may use any of our corporate assets, including potential profit that may arise from the mortality and expense risk charge, to make up any difference.

Early Withdrawal Charge Schedules

(Your contract schedule page shows which of the following early withdrawal charge schedules applies to you.)

| Schedule A | |
|----------------|-------------------------|
| Contract Years | Early Withdrawal Charge |
| Fewer than 1 | 1% |
| 1 or more | 0% |

Schedule A applies to 2004 and 1994 contracts established with amounts that were transferred or rolled over from the Company’s unregistered contracts, including amounts rolled over into a Roth IRA in connection with a conduit traditional IRA and Company general account contracts issued in connection with Tax Code sections 401, 403 and governmental 457 plans. It also applies to previously-issued 1992 contracts established with amounts transferred from certain contracts issued by the Company under certain pension or profit sharing retirement plans only where you were not subject to an early withdrawal charge (deferred sales charge) under the prior contract at the time of transfer. The early withdrawal charge is based on the number of completed contract years since the date of initial payment to the new contract.

Types of Fees

The following types of fees or deductions may affect your account:

- ▷ **Transaction Fees**
 - Early Withdrawal Charge
 - Annual Maintenance Fee
 - Transfer Charge
 - Redemption Fees
- ▷ **Fees Deducted from Investments in the Separate Account**
 - Mortality and Expense Risk Charge
 - Administrative Expense Charge
 - Reduction or Elimination of Certain Fees
- ▷ **Fund Fees and Expenses**
- ▷ **Premium and Other Taxes**
- ▷ **ING GET Fund Guarantee Charge**

| Schedule B | |
|----------------------------|-------------------------|
| Contract Years | Early Withdrawal Charge |
| Less than 5 | 5% |
| 5 or more but fewer than 6 | 4% |
| 6 or more but fewer than 7 | 3% |
| 7 or more but fewer than 8 | 2% |
| 8 or more but fewer than 9 | 1% |
| 9 or more | 0% |

Schedule B applies to 1992 contracts established with amounts that were transferred from certain existing contracts issued by the Company where the contract holder had been subject to an early withdrawal charge (deferred sales charge). The beginning early withdrawal charge is based on the number of completed contract years since the initial payment to the predecessor contract.

| Schedule C | |
|----------------------------|-------------------------|
| Contract Years | Early Withdrawal Charge |
| Less than 2 | 6% |
| 2 or more but fewer than 3 | 5% |
| 3 or more but fewer than 4 | 4% |
| 4 or more but fewer than 5 | 3% |
| 5 or more but fewer than 6 | 2% |
| 6 or more but fewer than 7 | 1% |
| 7 or more | 0% |

Schedule C applies to 2004 and 1994 contracts established with amounts that were transferred from contracts or arrangements offered by the Company or certain Company affiliates in connection with Tax Code sections 401, 403 and 457 plans (other than those contracts described above under Schedule A), and rollovers from IRAs under Tax Code sections 408 and 408A (to the extent such rollovers are allowed by the Company). Rather than assessing an early withdrawal charge on the predecessor contract, the early withdrawal charge is based on the number of completed contract years since the date of initial payment to the predecessor contract or arrangement. We may also apply this early withdrawal charge schedule on this basis to certain external rollovers in a non-discriminatory manner. See “Fees - Reduction or Elimination of Certain Fees.” For amounts rolled over from non-annuity contract arrangements offered by the Company or certain Company affiliates in connection with Tax Code Sections 401, 403, and 457 plans, this will normally result in there being no early withdrawal charge applicable to the new contract. Schedule C also applies to all new purchases that are not connected with an internal transfer (e.g., external rollovers or contracts established with at least a \$1,000 annual contribution), and to internal rollovers from certain variable life insurance contracts funding Tax Code section 401 qualified plans.

Waiver. The early withdrawal charge is waived if the amount withdrawn is due to one or more of the following:

- ▷ Used to provide income phase payments to you;
- ▷ Paid due to your death;
- ▷ Withdrawn under a systematic distribution option (see “Systematic Distribution Options”);
- ▷ Paid upon a full withdrawal where your account value is \$2,500 or less and no part of the account has been withdrawn during the prior 12 months; or
- ▷ Withdrawn in an amount of 10% or less of your account value, provided you are at least age 59½. This waiver applies only to the first partial withdrawal in each calendar year and does not apply to full withdrawals, unless your contract is issued in the states of Washington, Florida or New Jersey. The 10% amount will be calculated using your account value as of the date the request is received in good order at our Home Office. When a systematic distribution option is selected, this provision includes any amounts paid under that election.

Annual Maintenance Fee

Maximum Amount. \$25.00

When/How. Each year during the accumulation phase we deduct this fee on your contract anniversary. It is deducted on a pro rata basis from each subaccount and fixed interest option in which you have an allocation.

Purpose. This fee reimburses us for our administrative expenses related to establishing and maintaining your account.

Reduction or Elimination. We will eliminate the maintenance fee if your account value is \$10,000 or greater on the day before the maintenance fee is deducted. For 1992 contracts, the maintenance fee is also eliminated if your initial purchase payment was \$10,000 or greater.

Additionally, we may reduce or eliminate the maintenance fee if we anticipate savings on our administrative expenses for the sale because of one or more of the following:

- ▷ The size and type of group to whom the contract is offered; or
- ▷ The amount of expected purchase payments.

We will not unfairly discriminate against any person if we reduce or eliminate the maintenance fee. Any reduction or elimination of this fee will be done according to our own rules in effect at the time an application for a contract is approved. We reserve the right to change these rules from time to time.

Transfer Charge

Amount. \$0.00

During the accumulation phase, we currently allow you 12 free transfers each calendar year. We reserve the right, however, to charge \$10 for each additional transfer. We currently do not impose this charge.

Purpose. This charge reimburses us for administrative expenses associated with transferring your dollars among investment options.

Redemption Fees

Certain funds may deduct redemption fees as a result of withdrawals, transfers, or other fund transactions you initiate. If applicable, we may deduct the amount of any redemption fees imposed by the underlying mutual funds as a result of withdrawals, transfers or other fund transactions you initiate. Redemption fees, if any, are separate and distinct from any transaction charges or other charges deducted from your contract value. For a more complete description of the funds' fees and expenses, review each fund's prospectus.

Fees Deducted from Investments in the Separate Account

Mortality and Expense Risk Charge

Maximum Amount. This charge, on an annual basis, is equal to 1.25% of your account value invested in the subaccounts.

When/How. We deduct this charge daily from the subaccounts corresponding to the funds you select. We do not deduct this fee from any fixed interest option. This charge is deducted during the accumulation phase and the income phase.

Purpose. This charge compensates us for the mortality and expense risks we assume under the contracts.

- ▷ The mortality risks are those risks associated with our promise to make lifetime income phase payments based on annuity rates specified in the contract.
- ▷ The expense risk is the risk that the actual expenses we incur under the contract will exceed the maximum costs that we can charge.

If the amount we deduct for this charge is not enough to cover our mortality costs and expenses under the contract, we will bear the loss. We may use any excess to recover distribution costs relating to the contract and as a source of profit. We expect to make a profit from this charge.

Reduction. For 2004 and 1994 contracts, which we currently sell, we will reduce this charge to 1.15% provided one or more of the following conditions are met:

- (1) The contract has remained in the accumulation phase for ten years following the initial payment;
- (2) The initial payment is \$250,000 or more; or
- (3) The value of the contract is \$250,000 or more on any anniversary of the date the initial purchase payment was applied.

Administrative Expense Charge

Amount. 0%

We currently do not impose this charge. We reserve the right, however, to charge up to 0.25% annually of your account value invested in the subaccounts.

When/How. If imposed, we deduct this charge daily from the subaccounts corresponding to the funds you select. We do not deduct this charge from the fixed interest options. This charge may be assessed during the accumulation phase and/or the income phase. If we are imposing this charge when you enter the income phase, the charge will apply to you during the entire income phase.

Purpose. This charge helps defray our administrative expenses that cannot be covered by the mortality and expense risk charge described above. The charge is not intended to exceed the average expected cost of administering the contract. We do not expect to make a profit from this charge.

Reduction or Elimination of Certain Fees

When sales of the contract are made to individuals or a group of individuals in a manner that results in savings of sales or administrative expenses, we may reduce or eliminate the early withdrawal charge, the annual maintenance fee, the expense risk charge or the administrative expense charge. Our decision to reduce or eliminate any of these fees will be based on one or more of the following:

- ▷ The size and type of group to whom the contract is offered;
- ▷ The type and frequency of administrative and sales services provided;
- ▷ The use by an employer of automated techniques in submitting purchase payments or information related to purchase payments on behalf of its employees; or
- ▷ Any other circumstances that reduce distribution or administrative expenses.

The reduction or elimination of any of these fees will not be unfairly discriminatory against any person and will be done according to our rules in effect at the time the contract is issued. We reserve the right to change these rules from time to time. The right to reduce or eliminate any of these fees may be subject to state approval. The exact amount of contract charges applicable to a particular contract will be stated in that contract.

Fund Fees and Expenses

As shown in the fund prospectuses and described in the “Fees Deducted by the Funds” section of this prospectus, each fund deducts management fees from the amounts allocated to the fund. In addition, each fund deducts other expenses, which may include service fees that may be used to compensate service providers, including the Company and its affiliates, for administrative and contract owner services provided on behalf of the fund. Furthermore, certain funds deduct a distribution or 12b-1 fee, which is used to finance any activity that is primarily intended to result in the sale of fund shares. **For a more complete description of the funds’ fees and expenses, review each fund’s prospectus.**

The Company or its U.S. affiliates receive substantial revenue from each of the funds or the funds’ affiliates, although the amount and types of revenue vary with respect to each of the funds offered through the contract. This revenue is one of several factors we consider when determining contract fees and charges and whether to offer a fund through our contracts. **Fund revenue is important to the Company’s profitability, and it is generally more profitable for us to offer affiliated funds than to offer unaffiliated funds.**

In terms of total dollar amounts received, the greatest amount of revenue generally comes from assets allocated to funds managed by Directed Services LLC or other Company affiliates, which funds may or may not also be subadvised by a Company affiliate. Assets allocated to funds managed by a Company affiliate but subadvised by unaffiliated third parties generally generate the next greatest amount of revenue. Finally, assets allocated to unaffiliated funds generate the least amount of revenue. The Company expects to make a profit from this revenue to the extent it exceeds the Company’s expenses, including the payment of sales compensation to our distributors.

Types of Revenue Received from Affiliated Funds

Affiliated funds are (a) funds managed by Directed Services LLC or other Company affiliates, which may or may not also be subadvised by another Company affiliate; and (b) funds managed by a Company affiliate but that are subadvised by unaffiliated third parties.

Revenues received by the Company from affiliated funds include:

- A share of the management fee deducted from fund assets;
- Service fees that are deducted from fund assets;
- For certain share classes, the Company or its affiliates may also receive compensation paid out of 12b-1 fees that are deducted from fund assets; and
- Other revenues that may be based either on an annual percentage of average net assets held in the fund by the Company or a percentage of the fund’s management fees.

These revenues may be received as cash payments or according to a variety of financial accounting techniques that are used to allocate revenue and profits across the organization. In the case of affiliated funds subadvised by unaffiliated third parties, any sharing of the management fee between the Company and the affiliated investment adviser is based on the amount of such fee remaining after the subadvisory fee has been paid to the unaffiliated subadviser. Because subadvisory fees vary by subadviser, varying amounts of revenue are retained by the affiliated investment adviser and ultimately shared with the Company.

Types of Revenue Received from Unaffiliated Funds

Revenue received from each of the unaffiliated funds or their affiliates is based on an annual percentage of the average net assets held in that fund by the Company. Some unaffiliated funds or their affiliates pay us more than others and some of the amounts we receive may be significant.

Revenues received by the Company or its affiliates from unaffiliated funds include:

- For certain funds, compensation paid from 12b-1 fees or service fees that are deducted from fund assets; and
- Additional payments for administrative, recordkeeping or other services which we provide to the funds or their affiliates, such as processing purchase and redemption requests, and mailing fund prospectuses, periodic reports and proxy materials. These additional payments do not increase directly or indirectly the fees and expenses shown in each fund prospectus. These additional payments may be used by us to finance distribution of the contract.

These revenues are received as cash payments, and if the unaffiliated fund families currently offered through the contract were individually ranked according to the total amount they paid to the Company or its affiliates in 2008, in connection with the registered variable annuity contracts issued by the Company, that ranking would be as follows:

- | | |
|-------------------------------------|-----------------------------------|
| 1) Fidelity Investments | 6) PIMCO Funds |
| 2) Franklin Templeton Investments | 7) AIM Investments |
| 3) Oppenheimer Funds | 8) Pioneer Investments |
| 4) Columbia Wanger Asset Management | 9) Calvert Funds |
| 5) Lord Abbett Funds | 10) AllianceBernstein Investments |

Some of the fund families listed above may not have paid any such amounts in 2008. If the revenues received from affiliated funds were included in the table above, payments from Directed Services LLC and other Company affiliates would be first on the list.

In addition to the types of revenue received from affiliated and unaffiliated funds described above, affiliated and unaffiliated funds and their investment advisers, subadvisers or affiliates may participate at their own expense in Company sales conferences or educational and training meetings. In relation to such participation, a fund's investment adviser, subadviser or affiliate may help offset the cost of the meetings or sponsor events associated with the meetings. In exchange for these expense offset or sponsorship arrangements, the investment adviser, subadviser or affiliate may receive certain benefits and access opportunities to Company sales representatives and wholesalers rather than monetary benefits. These benefits and opportunities include, but are not limited to co-branded marketing materials; targeted marketing sales opportunities; training opportunities at meetings; training modules for sales personnel; and opportunity to host due diligence meetings for representatives and wholesalers.

Certain funds may be structured as "fund of funds" (including the ING Solution and the ING Strategic Allocation portfolios). These funds may have higher fees and expenses than a fund that invests directly in debt and equity securities because they also incur the fees and expenses of the underlying funds in which they invest. These funds are affiliated funds, and the underlying funds in which they invest may be affiliated as well. The fund prospectuses disclose the aggregate annual operating expenses of each portfolio and its corresponding underlying fund or funds. These funds are identified in the investment option list on the front of this prospectus.

Please note certain management personnel and other employees of the Company or its affiliates may receive a portion of their total employment compensation based on the amount of net assets allocated to affiliated funds.

Premium and Other Taxes

Maximum Amount. Some states and municipalities charge a premium tax on annuities. These taxes currently range from 0% to 4%, depending upon the jurisdiction.

When/How. We reserve the right to deduct premium taxes from your account value or from your purchase payments to the account at any time, but not before there is a tax liability under state law. For example, we may deduct premium taxes at the time of a complete withdrawal or we may reflect the cost of premium taxes in our income phase payment rates when you commence income phase payments. We will not deduct a charge for any municipal premium tax of 1% or less, but we reserve the right to reflect such an expense in our annuity purchase rates.

In addition, we reserve the right to assess a charge for any federal taxes due against the separate account. See “Taxation.”

ING GET Fund Guarantee Charge

Various series of the ING GET Fund may be offered from time to time, and additional charges may apply if you elect to invest in one of these series. The ING GET Fund guarantee charge is deducted each business day during the guarantee period if you elect to invest in the ING GET Fund. The amount of the ING GET Fund guarantee charge is 0.25% and is deducted from amounts allocated to the ING GET Fund investment option. This charge compensates us for the cost of providing a guarantee of accumulation unit values of the ING GET Fund subaccount. See “Investment Options - ING GET U.S. Core Portfolio.”

Your Account Value

During the accumulation phase, your account value at any given time equals:

- ▷ The current dollar value of amounts held in the subaccounts which takes into account investment performance and fees deducted from the subaccounts; plus
- ▷ The current dollar value of amounts invested in the fixed interest options, including interest earnings to date.

Subaccount Accumulation Units. When you select a fund as an investment option, your account dollars invest in “accumulation units” of the Variable Annuity Account C subaccount corresponding to that fund. The subaccount invests directly in the fund shares. The value of your interests in a subaccount is expressed as the number of accumulation units you hold multiplied by an “Accumulation Unit Value,” as described below, for each unit.

Accumulation Unit Value (AUV). The value of each accumulation unit in a subaccount is called the accumulation unit value or AUV. The AUV varies daily in relation to the underlying fund’s investment performance. The value also reflects deductions for fund fees and expenses, the mortality and expense risk charge, the administrative expense charge (if any) and any other fees deducted daily from amounts in the separate account. We discuss these deductions in more detail in “Fee Table” and “Fees.”

Valuation. We determine the AUV every normal business day after the close of the New York Stock Exchange (normally at 4:00 p.m. Eastern Time). At that time we calculate the current AUV by multiplying the AUV last calculated by the net investment factor of the subaccount. The net investment factor measures the investment performance of the subaccount from one valuation to the next.

$$\text{Current AUV} = \text{Prior AUV} \times \text{Net Investment Factor}$$

Net Investment Factor. The net investment factor for a subaccount between two consecutive valuations equals the sum of 1.0000 plus the net investment rate.

Net Investment Rate. The net investment rate is computed according to a formula that is equivalent to the following:

- ▷ The net assets of the fund held by the subaccount as of the current valuation; minus
- ▷ The net assets of the fund held by the subaccount at the preceding valuation; plus or minus
- ▷ Taxes or provisions for taxes, if any, due to subaccount operations (with any federal income tax liability offset by foreign tax credits to the extent allowed); divided by
- ▷ The total value of the subaccount's units at the preceding valuation; minus
- ▷ A daily deduction for the mortality and expense risk charge, the administrative expense charge, if any, and any other fees, such as guarantee charges for the ING GET Fund, deducted daily from investments in the separate account. See "Fees."

The net investment rate may be either positive or negative.

Hypothetical Illustration. As a hypothetical illustration, assume that your initial purchase payment to a contract is \$5,000 and you direct us to invest \$3,000 in Fund A and \$2,000 in Fund B. Also assume that on the day we receive the purchase payment the applicable AUVs after the next close of business of the New York Stock Exchange (normally at 4:00 p.m. Eastern Time) are \$10 for Subaccount A and \$20 for Subaccount B. Your account is credited with 300 accumulation units of Subaccount A and 100 accumulation units of Subaccount B.

Step 1: You make an initial purchase payment of \$5,000.

| |
|---------------------------------|
| \$5,000 Purchase Payment |
|---------------------------------|

|| **Step 1** ||

Step 2:

A. You direct us to invest \$3,000 in Fund A. The purchase payment purchases 300 accumulation units of Subaccount A (\$3,000 divided by the current \$10 AUV).

| |
|-----------------------------------------------|
| ING Life Insurance and Annuity Company |
|-----------------------------------------------|

|| **Step 2** ||

B. You direct us to invest \$2,000 in Fund B. The purchase payment purchases 100 accumulation units of Subaccount B (\$2,000 divided by the current \$20 AUV).

| Variable Annuity Account C | | |
|----------------------------|---------------------|------|
| Subaccount A | Subaccount B | Etc. |
| 300 | 100 | |
| accumulation | accumulation | |
| units | units | |

|| **Step 3** ||

Step 3: The separate account purchases shares of the applicable funds at the current market value (net asset value or NAV).

| | |
|----------------------|----------------------|
| Mutual Fund A | Mutual Fund B |
|----------------------|----------------------|

Each fund's subsequent investment performance, expenses and charges, and the daily charges deducted from the subaccount, will cause the AUV to move up or down on a daily basis.

Purchase Payments to Your Account. If all or a portion of your initial purchase payment is directed to the subaccounts, it will purchase subaccount accumulation units at the AUV next computed after our acceptance of your application as described in the "Purchase" section. Subsequent purchase payments or transfers directed to the subaccounts will purchase subaccount accumulation units at the AUV next computed following our receipt of the purchase payment or transfer request in good order. The value of subaccounts may vary day to day.

Withdrawals

You may withdraw all or a portion of your account value at any time during the accumulation phase.

Steps for Making a Withdrawal

- ▷ Select the withdrawal amount.
 - (1) Full Withdrawal: You will receive, reduced by any required tax, your account value allocated to the subaccounts, the Guaranteed Interest Account (with reduced interest yield), the Fixed Account, and the Guaranteed Accumulation Account (plus or minus any applicable market value adjustment), minus any applicable early withdrawal charge, redemption fees, and annual maintenance fee.
 - (2) Partial Withdrawal (Percentage or Specified Dollar Amount): You will receive, reduced by any required tax, the amount you specify, subject to the value available in your account. However, the amount actually withdrawn from your account will be adjusted by any applicable early withdrawal charge, redemption fees, and any positive or negative market value adjustment for amounts withdrawn from the Guaranteed Accumulation Account or a reduced interest yield from the Guaranteed Interest Account.
- ▷ Select investment options. If you do not specify, we will withdraw dollars proportionally from each of your investment options.
- ▷ Properly complete a disbursement form and submit it to our Home Office.

See Appendices I, II, III and the Guaranteed Accumulation Account prospectus for more information about withdrawals from the fixed interest options.

Calculation of Your Withdrawal. We determine your account value every normal business day after the close of the New York Stock Exchange (normally at 4:00 p.m. Eastern Time). We pay withdrawal amounts based on your account value as of the next valuation after we receive a request for withdrawal in good order at our Home Office, or on such later date as you specify on the disbursement form.

Taxes, Fees and Other Deductions

Amounts withdrawn may be subject to one or more of the following:

- ▷ **Early Withdrawal Charge** (see “Fees - Early Withdrawal Charge”)
- ▷ **Annual Maintenance Fee** (see “Fees - Annual Maintenance Fee”)
- ▷ **Market Value Adjustment** (see Appendix III and the Guaranteed Accumulation Account prospectus)
- ▷ **Redemption Fees** (see “Fees - Redemption Fees”)
- ▷ **Tax Penalty** (see “Taxation”)
- ▷ **Tax Withholding** (see “Taxation”)

To determine which may apply to you, refer to the appropriate sections of this prospectus, contact your sales representative or call us at the number listed in “Contract Overview - Questions: Contacting the Company.”

Delivery of Payment. Payments for withdrawal requests will be made in accordance with SEC requirements. Normally, your withdrawal amount will be sent no later than seven calendar days following our receipt of your disbursement form in good order.

Reinvesting a Full Withdrawal. Within 30 days after a full withdrawal, if allowed by law and the contract, you may elect to reinvest all or a portion of your withdrawal. We must receive any reinvested amounts within 60 days of the withdrawal. We reserve the right, however, to accept a reinvestment election received more than 30 days after the withdrawal and accept proceeds received more than 60 days after the withdrawal. We will credit your account for the amount reinvested based on the subaccount values next computed following our receipt of your request and the amount to be reinvested.

We will credit the amount reinvested proportionally for annual maintenance fees and early withdrawal charges imposed at the time of withdrawal. We will deduct from the amounts reinvested any annual maintenance fee that fell due after the withdrawal and before the reinvestment. We will reinvest in the same investment options and proportions in place at the time of withdrawal. If you withdraw amounts from a series of the ING GET Fund and then elect to reinvest them, we will reinvest them in an ING GET Fund series that is then accepting deposits, if one is available. If one is not available, we will reallocate your GET amounts among the other investment options in which you are invested, on a pro rata basis. The reinvestment privilege may be used only once. Special rules may apply to reinvestments of amounts withdrawn from the Guaranteed Interest Account and the Guaranteed Accumulation Account. See “Appendices I and III.” We will not credit your account for market value adjustments that we deducted at the time of your withdrawal from the Guaranteed Accumulation Account or for redemption fees. Seek competent advice regarding the tax consequences associated with reinvestment.

Systematic Distribution Options

These options may be exercised at any time during the accumulation phase of the contract. The following systematic distribution options may be available:

- ▷ **Systematic Withdrawal Option (SWO).** SWO is a series of automatic partial withdrawals from your account based on a payment method you select. Consider this option if you would like periodic income while retaining investment flexibility for amounts accumulated in the account. We will not deduct an early withdrawal charge from amounts paid under SWO; however, a market value adjustment may apply to amounts paid from the Guaranteed Accumulation Account. See Appendix III and the Guaranteed Accumulation Account prospectus for more information about the market value adjustment.
- ▷ **Estate Conservation Option (ECO).** ECO offers the same investment flexibility as SWO, but is designed for those who want to receive only the minimum distribution that the Tax Code requires each year. Under ECO, we calculate the minimum distribution amount required by law, beginning generally at age 70½, and pay you that amount once a year. ECO is not available under Roth IRA contracts. We will not deduct an early withdrawal charge nor apply a market value adjustment to any part of your account value paid under an ECO.

Other Systematic Distribution Options. We may add additional systematic distribution options from time to time. You may obtain additional information relating to any of the systematic distribution options from your sales representative or by calling us at the number listed in “Contract Overview - Questions: Contacting the Company.”

Systematic Distribution Option Availability. If allowed by applicable law, we may discontinue the availability of one or more of the systematic distribution options for new elections at any time, and/or change the terms of future elections.

Eligibility for a Systematic Distribution Option. To determine if you meet the age and account value criteria and to assess terms and conditions that may apply, contact your sales representative or call us at the number listed in “Contract Overview - Questions: Contacting the Company.”

Terminating a Systematic Distribution Option. You may revoke a systematic distribution option at any time by submitting a written request to our Home Office. Once revoked, ECO may not be elected again unless allowed under the Tax Code.

Taxation. Taking a withdrawal under a systematic distribution option may have tax consequences. If you are concerned about tax implications, consult a qualified tax adviser before electing an option.

Features of a Systematic Distribution Option

A systematic distribution option allows you to receive regular payments from the contract, without moving into the income phase.

By remaining in the accumulation phase, you retain certain rights and investment flexibility not available during the income phase. Because the account remains in the accumulation phase, all accumulation phase charges continue to apply.

Death Benefit

This section provides information about the death benefit during the accumulation phase.

For death benefit information applicable to the income phase, see “The Income Phase.”

During the Accumulation Phase. The contract provides a death benefit in the event of your death during the accumulation phase.

Who Receives the Death Benefit Proceeds? If you would like certain individuals to receive the death benefit when it becomes payable, you may name them as your beneficiaries. If you die and no beneficiary exists, the death benefit will be paid in a lump sum to your estate.

Designating Your Beneficiary. You may designate a beneficiary on your application or by contacting your sales representative or by calling us at the number listed in “Contract Overview - Questions: Contacting the Company.”

Death Benefit Amount. The amount of the death benefit is equal to your account value as of the next time we value your account following the date on which we receive proof of your death and a payment request in good order. In addition to this amount, some states require we pay interest on amounts invested in fixed interest options, calculated from date of death at a rate specified by state law.

Until a death benefit request is received in good order and a payment option is selected, account dollars will remain invested as at the time of your death, and no distributions will be made.

Guaranteed Death Benefit (2004 Contracts Only). Subject to state regulatory approval, the 2004 Contracts provide a guaranteed death benefit if the contract beneficiary elects a lump-sum distribution or an income phase payment option. For those contracts, the guaranteed death benefit is the greater of:

- (a) Your account value on the day that notice of death and request for payment are received in good order at our Home Office, plus any positive aggregate market value adjustment that applies to amounts allocated to the Guaranteed Accumulation Account; or
- (b) The sum of payments (minus any applicable premium tax) made to your account, adjusted for withdrawals made from your account, as of the day the notice of death and request for payment are received in good order at our Home Office. The adjustment for withdrawals will be proportionate, reducing the sum of all purchase payments made in the same proportion that the account value was reduced by the withdrawal.

For amounts held in the Guaranteed Interest Account, the full annual Guaranteed Interest Rate will be credited. For amounts held in the Guaranteed Accumulation Account, any positive aggregate market value adjustment (the sum of all market value adjustments calculated due to a withdrawal) will be included in your account value. If a negative aggregate market value adjustment applies, it will be deducted only if the death benefit is paid more than six months after your death. We describe the market value adjustment in Appendix III and in the Guaranteed Accumulation Account prospectus.

Death Benefit Payment Options. Unless otherwise requested, we will mail payment to the beneficiary within seven calendar days after we receive proof of death and payment request acceptable to us. If allowed by the Tax Code, and not otherwise restricted by the contractholder, the designated beneficiary may elect to have the death benefit proceeds paid in any one of the following ways:

- ▷ Lump-sum payment;
- ▷ Payment in accordance with any of the available income phase payment options. See “The Income Phase,” or
- ▷ If the beneficiary is your spouse, payment in accordance with any of the available systematic distribution options. See “Systematic Distribution Options.”

Unless the beneficiary elects otherwise, lump-sum payments will generally be made into an interest bearing account that is backed by our general account. This account can be accessed by the beneficiary through a checkbook feature. The beneficiary may access death benefit proceeds at any time through the checkbook without penalty. Interest credited on this account may be less than under other settlement options under the contract, and the Company seeks to earn a profit on these accounts.

The following options are also available to the beneficiary; however, the Tax Code limits how long the death benefit proceeds may be left in these options:

- ▷ Leave the account value invested in the contract; or
- ▷ For certain contracts, leave the account value on deposit in the Company’s general account, and receive monthly, quarterly, semi-annual or annual interest payments at the interest rate then being credited on such deposits. The beneficiary can withdraw the balance on deposit at any time or request to receive income payments in accordance with any of the available income phase payment options. See “The Income Phase.”

Unless otherwise restricted by the contract holder, the beneficiary may choose to apply any portion of the death benefit to an annuity option or to receive a lump-sum payment.

Taxation. The Tax Code requires distribution of death benefit proceeds within a certain period of time. Failure to begin receiving death benefit payments within those time periods can result in tax penalties. Regardless of the method of payment, death benefit proceeds will generally be taxed to the beneficiary in the same manner as if you had received those payments. See “Taxation” for additional information.

The Income Phase

During the income phase you stop contributing dollars to the contract and start receiving payments from your accumulated account value.

Initiating Income Phase Payments. At least 30 days prior to the date you want to start receiving income phase payments, you must notify us in writing of the following:

- ▷ Payment start date;
- ▷ Payment option (see the income phase payment options table in this section);
- ▷ Payment frequency (i.e., monthly, quarterly, semi-annually or annually);
- ▷ Choice of fixed, variable or a combination of both fixed and variable payments; and
- ▷ Selection of subaccounts and an assumed net investment rate (only if variable payments are elected).

Your account will continue in the accumulation phase until you properly initiate income phase payments. Once an income phase payment option is selected, it may not be changed.

We may have used the following terms in prior prospectuses:

Annuity Phase-Income Phase

Annuity Option-Income Phase Payment Option

Annuity Payment-Income Phase Payment

Annuitization-Initiating Income Phase Payments

What Affects Payment Amounts? Some of the factors that may affect the amount of your income phase payments include your age (or adjusted age under some contracts), gender, account value, the income phase payment option selected, the number of guaranteed payments selected (if any), and whether you select fixed, variable or a combination of both fixed and variable income phase payments and, for variable payments, the assumed net investment rate selected.

Fixed Payments. Amounts funding fixed income phase payments will be held in the Company's general account. The amount of fixed payments does not vary with investment performance over time.

Variable Payments. Amounts funding your variable income phase payments will be held in the subaccount(s) you select, based on the subaccounts available during the income phase at the time you make your selection. The subaccounts available during the accumulation phase may not all be available during the income phase. We currently allow you to choose up to 18 subaccounts at any one time and we allow 12 free transfers per calendar year. We reserve the right to allow additional transfers in excess of 12 per calendar year. For variable payments, an assumed net investment rate must be selected.

Assumed Net Investment Rate. If you select variable income phase payments, you must also select an assumed net investment rate of either 5% or 3.5%. If you select a 5% rate, your first income phase payment will be higher, but subsequent payments will increase only if the investment performance of the subaccounts you selected is greater than 5% annually after deduction of fees. Payment amounts will decline if the investment performance is less than 5% after deduction of fees.

If you select a 3.5% rate, your first income phase payment will be lower and subsequent payments will increase more rapidly or decline more slowly depending upon the investment performance of the subaccounts selected. For more information about selecting an assumed net investment rate, call us for a copy of the SAI. See "Contract Overview - Questions: Contacting the Company."

Minimum Payment Amounts for 2004 Contracts (subject to regulatory approval).

The income phase payment option you select must result in one of the following:

- ▷ A first income phase payment of at least \$100; or
- ▷ Total yearly income phase payments of at least \$500.

If your account value is too low to meet these minimum payment amounts, you will receive one lump-sum payment.

In New York, the income phase payment option you select must result in one of the following:

- ▷ A first income phase payment of at least \$20; or
- ▷ Total yearly income phase payments of at least \$100.

If your account value is too low to meet these minimum payment amounts, you will receive one lump-sum payment.

Minimum Payment Amounts for 1994 Contracts.

The income phase payment option you select must result in one of the following:

- ▷ A first income phase payment of at least \$50; or
- ▷ Total yearly income phase payments of at least \$250.

If your account value is too low to meet these minimum payment amounts, you will receive one lump-sum payment.

Minimum Payment Amounts for 1992 Contracts.

The payment option you select must result in one of the following:

- ▷ A first payment of at least \$20; or
- ▷ Total yearly payments of at least \$100.

If your account value is too low to meet these minimum payment amounts, you will receive one lump-sum payment.

Restrictions on Start Dates and the Duration of Payments. When income phase payments start, the age of the annuitant plus the number of years for which income phase payments are guaranteed must not exceed 95. Certain tax rules may also limit the length of income phase payments. For Roth IRAs those minimum distribution rules do not apply. See “Taxation.”

Regardless of your income phase payment start date, your income phase payments will not begin until you have selected an income phase payment option. Failure to select an income phase payment option may have adverse tax consequences. You should consult with a qualified tax adviser if you are considering this course of action.

Charges Deducted. When you select an income phase payment option (one of the options listed in the tables on the following page), a mortality and expense risk charge, consisting of a daily deduction of 1.25% on an annual basis, will be deducted from amounts held in the subaccounts.

This charge compensates us for mortality and expense risks we assume under variable income phase payout options and is applicable to all variable income phase payout options, including variable nonlifetime options under which we do not assume mortality risk. In this situation, this charge will be used to cover expenses. Although we expect to make a profit from this fee, we do not always do so. For variable options under which we do not assume a mortality risk, we may make a larger profit than under other options. We may also deduct a daily administrative expense charge from amounts held in the subaccounts. See “Fees.”

Death Benefit During the Income Phase. The death benefits that may be available to a beneficiary are outlined in the following Income Phase Payment Options table. If a lump-sum payment is due as a death benefit, payment will be sent within seven calendar days following our receipt of proof of death and the payment request in good order at our Home Office. Any death benefit payable must be distributed to the beneficiary at least as rapidly as under the method of distribution in effect on the date of death.

Unless the beneficiary elects otherwise, lump-sum payments will generally be made into an interest bearing account that is backed by our general account. This account can be accessed by the beneficiary through a checkbook feature. The beneficiary may access death benefit proceeds at any time through the checkbook without penalty. Interest credited on this account may be less than under other settlement options under the contract, and the Company seeks to earn a profit on these accounts.

Beneficiary Rights. A beneficiary’s right to elect an income phase payment option or receive a lump-sum payment may be restricted by the contract holder. If so, such rights or options will not be available to the beneficiary.

Calculation of Death Benefit. We will calculate the value of any death benefit at the next valuation after we receive proof of death acceptable to us and the payment request in good order. Such value will be reduced by any payments made after the date of death.

Taxation. To avoid certain tax penalties, you or your beneficiary must meet the distribution rules imposed by the Tax Code. Additionally, when selecting an income phase payment option, the Tax Code requires that your expected payments will not exceed certain durations. See “Taxation” for additional information.

Income Phase Payment Options

The following table lists the income phase payment options and accompanying death benefits available during the income phase. We may offer additional income phase payment options under the contract from time to time. Once income phase payments begin, the income phase payment option selected may not be changed.

Terms to Understand:

Annuitant(s): The person(s) on whose life expectancy(ies) the income phase payments are based.

Beneficiary(ies): The person(s) or entity(ies) entitled to receive a death benefit under the contract.

| Lifetime Payment Options | |
|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Life Income | <p>Length of Payments: For as long as the annuitant lives. It is possible that only one payment will be made if the annuitant dies prior to the second payment's due date.</p> <p>Death Benefit-None: All payments end upon the annuitant's death.</p> |
| Life Income-Guaranteed Payments* | <p>Length of Payments: For as long as the annuitant lives, with payments guaranteed for your choice of 5, 10, 15 or 20 years or as otherwise specified in the contract.</p> <p>Death Benefit-Payment to the Beneficiary: If the annuitant dies before we have made all the guaranteed payments, we will continue to pay the beneficiary the remaining payments, unless the beneficiary elects to receive a lump-sum payment equal to the present value of the remaining guaranteed payments.</p> |
| Life Income-Two Lives | <p>Length of Payments: For as long as either annuitant lives. It is possible that only one payment will be made if both annuitants die before the second payment's due date.</p> <p>Continuing Payments: When you select this option you choose for either: (a) 100%, 66 ²/₃% or 50% of the payment to continue to the surviving annuitant after the first death; or (b) 100% of the payment to continue to the annuitant on the second annuitant's death, and 50% of the payment will continue to the second annuitant on the annuitant's death.</p> <p>Death Benefit-None: All payments end upon the deaths of both annuitants.</p> |
| Life Income-Two Lives-Guaranteed Payments* | <p>Length of Payments: For as long as either annuitant lives, with payments guaranteed for ten or more years as specified in the contract.</p> <p>Continuing Payments: 100% of the payment to continue to the surviving annuitant after the first death.</p> <p>Death Benefit-Payment to the Beneficiary: If both annuitants die before the guaranteed payments have all been paid, we will continue to pay the beneficiary the remaining payments, unless the beneficiary elects to receive a lump-sum payment equal to the present value of the remaining guaranteed payments.</p> |
| Nonlifetime Payment Option | |
| Nonlifetime-Guaranteed Payments* | <p>Length of Payments: You may select payments for 3 through 30 years under 1992 contracts or 5 through 30 years under 2004 and 1994 contracts. In certain cases a lump-sum payment may be requested at any time (see below).</p> <p>Death Benefit-Payment to the Beneficiary: If the annuitant dies before we make all the guaranteed payments, we will continue to pay the beneficiary the remaining payments, unless the beneficiary elects to receive a lump-sum payment equal to the present value of the remaining guaranteed payments. We will not impose any early withdrawal charge.</p> |

Lump-Sum Payments: If the "Nonlifetime-Guaranteed Payments" option is elected with variable payments, you may request at any time that all or a portion of the present value of the remaining payments be paid in one lump sum. A lump sum elected before five years (for 2004 and 1994 contracts) or three years (for 1992 contracts) of payments have been completed will be treated as a withdrawal during the accumulation phase and we will charge any applicable early withdrawal charge. See "Fees - Early Withdrawal Charge."

Calculation of Lump-Sum Payments. If a lump-sum payment is available to a beneficiary or to you under the income phase payment options listed in the table above, the rate we use to calculate the present value of the remaining guaranteed payments is the same rate we use to calculate the income payments (i.e., the actual fixed rate used for the fixed payments, or the 3.5% or 5% assumed net investment rate for variable payments.)

* Guaranteed period payments may not extend beyond the shorter of your life expectancy or until your age 95.

Contract Distribution

General. Our subsidiary, ING Financial Advisers, LLC serves as the principal underwriter for the contracts. ING Financial Advisers, LLC, a Delaware limited liability company, is registered as a broker-dealer with the SEC. ING Financial Advisers, LLC is also a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”). ING Financial Advisers, LLC’s principal office is located at One Orange Way, Windsor, Connecticut 06095-4774.

The contracts are offered to the public by individuals who are registered representatives of ING Financial Advisers, LLC or other broker-dealers that have entered into a selling arrangement with ING Financial Advisers, LLC. We refer to ING Financial Advisers, LLC and the other broker-dealers selling the contracts as “distributors.”

All registered representatives selling the contracts must also be licensed as insurance agents for the Company.

The following is a list of broker-dealers that are affiliated with the Company:

| | |
|------------------------------------------|--------------------------------------------|
| Bancnorth Investment Group, Inc. | ING Financial Partners, Inc. |
| Directed Services LLC | ING Funds Distributor, LLC |
| Financial Network Investment Corporation | ING Investment Advisors, LLC |
| Guaranty Brokerage Services, Inc. | ING Investment Management Services LLC |
| ING America Equities, Inc. | Multi-Financial Securities Corporation |
| ING DIRECT Funds Limited | PrimeVest Financial Services, Inc. |
| ING Financial Advisers, LLC | ShareBuilder Securities Corporation |
| ING Financial Markets LLC | Systematized Benefits Administrators, Inc. |

Registered representatives of distributors who solicit sales of the contracts typically receive a portion of the compensation paid to the distributor in the form of commissions or other compensation, depending upon the agreement between the distributor and the registered representative. This compensation, as well as other incentives or payments, is not paid directly by contract owners or the separate account. We intend to recoup this compensation and other sales expenses paid to distributors through fees and charges imposed under the contracts.

Commission Payments. Persons who offer and sell the contracts may be paid a commission. The commissions paid range up to 7.0% of all amounts contributed to a contract. The Company may also pay asset-based service fees ranging up to 0.50%.

Individual registered representatives may receive all or a portion of compensation paid to their distributor, depending upon the firm’s practices. Commissions and annual payments, when combined, could exceed 7.0% of total premium payments. To the extent permitted by SEC and FINRA rules and other applicable laws and regulations, we may also pay or allow other promotional incentives or payments in the form of cash payments or other compensation to distributors, which may require the registered representative to attain a certain threshold of sales of Company products. These other promotional incentives or payments may not be offered to all distributors, and may be limited only to ING Financial Advisers, LLC and other distributors affiliated with the Company.

We may also enter into special compensation arrangements with certain selling firms based on those firms’ aggregate or anticipated sales of the contracts or other criteria. These arrangements may include commission specials, in which additional commissions may be paid in connection with premium payments received for a limited time period, within the maximum 7.0% commission rate noted above. These special compensation arrangements will not be offered to all selling firms, and the terms of such arrangements may differ among selling firms based on various factors. These special compensation arrangements may also be limited only to ING Financial Advisers, LLC and other distributors affiliated with the Company. Any such compensation payable to a selling firm will not result in any additional direct charge to you by us.

Some sales personnel may receive various types of non-cash compensation as special sales incentives, including trips, and we may also pay for some sales personnel to attend educational and/or business seminars. Any such compensation will be paid in accordance with SEC and FINRA rules. Management personnel of the Company, and of its affiliated broker-dealers, may receive additional compensation if the overall amount of investments in funds advised by the Company or its affiliates meets certain target levels or increases over time. Compensation for certain

management personnel, including sales management personnel, may be enhanced if the overall amount of investments in the contracts and other products issued or advised by the Company or its affiliates increases over time. Certain sales management personnel may also receive compensation that is a specific percentage of the commissions paid to distributors or of purchase payments received under the contracts.

In addition to direct cash compensation for sales of contracts described above, ING Financial Advisers, LLC may also pay distributors additional compensation or reimbursement of expenses for their efforts in selling contracts to you and other customers. These amounts may include:

- Marketing/distribution allowances that may be based on the percentages of purchase payments received, the aggregate commissions paid and/or the aggregate assets held in relation to certain types of designated insurance products issued by the Company and/or its affiliates during the year;
- Loans or advances of commissions in anticipation of future receipt of purchase payments (a form of lending to registered representatives). These loans may have advantageous terms, such as reduction or elimination of the interest charged on the loan and/or forgiveness of the principal amount of the loan, which may be conditioned on sales;
- Education and training allowances to facilitate our attendance at certain educational and training meetings to provide information and training about our products. We also hold training programs from time to time at our own expense;
- Sponsorship payments or reimbursements for distributors to use in sales contests and/or meetings for their registered representatives who sell our products. We do not hold contests based solely on sales of this product;
- Certain overrides and other benefits that may include cash compensation based on the amount of earned commissions, representative recruiting or other activities that promote the sale of contracts; and
- Additional cash or noncash compensation and reimbursements permissible under existing law. This may include, but is not limited to, cash incentives, merchandise, trips, occasional entertainment, meals and tickets to sporting events, client appreciation events, business and educational enhancement items, payment for travel expenses (including meals and lodging) to pre-approved training and education seminars, and payment for advertising and sales campaigns.

We pay dealer concessions, wholesaling fees, overrides, bonuses, other allowances and benefits and the costs of all other incentives or training programs from our resources, which include the fees and charges imposed under the contracts.

The following is a list of the top 25 selling firms that, during 2008, received the most compensation, in the aggregate, from us in connection with the sale of registered variable annuity contracts issued by the Company, ranked by total dollars received.

- | | |
|------------------------------------------------|--------------------------------------------------|
| 1) SagePoint Financial, Inc. | 14) Mutual Service Corporation |
| 2) Symetra Investment Services, Inc. | 15) Waterstone Financial Group, Inc. |
| 3) Huckin Financial Group, Inc. | 16) Northwestern Mutual Investment Services, LLC |
| 4) LPL Financial Corporation | 17) Lincoln Investment Planning, Inc. |
| 5) Walnut Street Securities, Inc. [®] | 18) Cadaret, Grant & Co., Inc. |
| 6) ING Financial Partners, Inc. | 19) Securities America, Inc. |
| 7) NFP Securities, Inc. | 20) Edward D. Jones & Co., L.P. |
| 8) Valor Insurance Agency Inc. | 21) American Portfolios Financial Services, Inc. |
| 9) Lincoln Financial Securities Corporation | 22) Ameritas Investment Corp. |
| 10) Financial Network Investment Corporation | 23) First Heartland [®] Capital, Inc. |
| 11) NRP Financial, Inc. | 24) Lincoln Financial Advisors Corporation |
| 12) National Planning Corporation | 25) Morgan Keegan and Company, Inc. |
| 13) Multi-Financial Securities Corporation | |

If the amounts paid to ING Financial Advisers, LLC, were included, ING Financial Advisers, LLC would be first on the list.

This is a general discussion of the types and levels of compensation paid by us for the sale of our variable annuity contracts. It is important for you to know that the payment of volume or sales-based compensation to a distributor or registered representative may provide that registered representative a financial incentive to promote our contracts over those of another Company, and may also provide a financial incentive to promote one of our contracts over another.

The names of the distributor and the registered representative responsible for your account are stated in your application materials.

Taxation

I. Introduction

This section discusses our understanding of current federal income tax laws affecting the contracts. Federal Income tax treatment of the contracts is complex and sometimes uncertain. You should keep the following in mind when reading it:

- ▷ Your tax position (or the tax position of the designated beneficiary, as applicable) determines federal taxation of amounts held or paid out under the contracts;
- ▷ Tax laws change. It is possible that a change in the future could affect contracts issued in the past;
- ▷ This section addresses some, but not all, applicable federal income tax rules and does not discuss federal estate and gift tax implications, state and local taxes or any other tax provisions; and
- ▷ We do not make any guarantee about the tax treatment of the contract or any transaction involving the contracts.

We do not intend this information to be tax advice. For advice about the effect of federal income taxes or any other taxes on amounts held or paid out under the contracts, consult a tax adviser. No attempt is made to provide more than general information about the use of the contracts with tax-qualified retirement arrangements. For more comprehensive information contact the Internal Revenue Service (IRS).

Qualified Contracts

The contracts are available for purchase on a tax-qualified basis (qualified contracts).

Qualified contracts are designed for use by individuals and/or employers whose premium payments are comprised solely of proceeds from and/or contributions under retirement plans or programs intended to qualify for special income tax treatment under Tax Code section 408 and 408A.

II. Taxation of Qualified Contracts

General

The contracts are designed for use as an Individual Retirement Annuity under Tax Code section 408 (“IRA”) and Roth IRA under Tax Code section 408A. The tax rules applicable to IRA and Roth IRA contract holders vary according to the type of individual retirement annuity. The ultimate effect of federal income taxes on the amounts held under a contract, or on income phase payments, depends on the tax and employment status of the individual concerned, and on your tax status. Special favorable tax treatment may be available for certain types of contributions and distributions. In addition, certain requirements must be satisfied in purchasing a qualified contract with proceeds from a tax-qualified plan or program in order to continue receiving favorable tax treatment.

Adverse tax consequences may result from: contributions in excess of specified limits, distributions before age 59½ (subject to certain exceptions), distributions that do not conform to specified commencement and minimum distribution rules, and in other specified circumstances. IRAs and Roth IRAs may be subject to additional distribution or other requirements that are not incorporated into our contract. No attempt is made to provide more than general information about the use of the contracts as IRAs or Roth IRAs.

In this Section:

I. Introduction

II. Taxation of Qualified Contracts

III. Possible Changes in Taxation

IV. Taxation of the Company

When consulting a tax adviser, be certain that he or she has expertise in the Tax Code sections applicable to your tax concerns.

Contract owners, annuitants, and beneficiaries are cautioned that the rights of any person to any benefit under a qualified plan may be subject to the terms and conditions of the plan themselves, regardless of the terms and conditions of the contract. The Company is not bound by the terms and conditions of such plans to the extent such terms contradict the contract, unless we consent.

Generally, contract owners and beneficiaries are responsible for determining that contributions, distributions and other transactions with respect to the contract comply with applicable law. Therefore, you should seek competent legal and tax advice regarding the suitability of a contract for your particular situation. The following discussion assumes that qualified contracts are purchased with proceeds from and/or contributions under retirement plans or programs that qualify for the intended special federal tax treatment.

Tax Deferral

Under the federal tax laws, earnings on amounts held in annuity contracts are generally not taxed until they are withdrawn. However, in the case of a qualified plan, including IRAs and Roth IRAs, an annuity contract is not necessary to obtain this favorable tax treatment and does not provide any tax benefits beyond the deferral already available to the qualified plan itself. Annuities do provide other features and benefits (such as the guaranteed death benefit available under the 2004 contracts or the option of lifetime income phase options at established rates) that may be valuable to you. You should discuss your alternatives with your financial representative taking into account the additional fees and expenses you may incur in an annuity.

Individual Retirement Annuities. Section 408 of the Tax Code permits eligible individuals to contribute to an individual retirement program known as an Individual Retirement Annuity (“IRA”). IRAs are subject to limits on the amounts that can be contributed, the deductible amount of the contribution, the persons who may be eligible, and the time when distributions commence. Also, distributions from IRAs, individual retirement accounts, and other types of retirement plans may be “rolled over” on a tax-deferred basis into an IRA. Employers may establish Simplified Employee Pension (SEP) or Savings Incentive Match Plan for Employees (SIMPLE) plans to provide IRA contributions on behalf of their employees. If you make a tax-free rollover of a distribution from an IRA you may not make another tax-free rollover from the IRA within a 1-year period. Sales of the contract for use with IRAs may be subject to special requirements of the IRS.

The IRS has not reviewed the contracts described in this prospectus for qualification as IRAs and has not addressed, in a ruling of general applicability, whether the contract’s death benefit provisions comply with IRS qualification requirements.

Roth IRAs. Section 408A of the Tax Code permits certain eligible individuals to contribute to a Roth IRA. Contributions to a Roth IRA are subject to limits on the amount of contributions and the persons who may be eligible to contribute, are not deductible, and must be made in cash or as a rollover or transfer from another Roth IRA, IRA, or certain other types of retirement plans. Certain qualifying individuals may convert an IRA, SEP, or a SIMPLE to a Roth IRA. Such rollovers and conversions are subject to tax, and other special rules may apply. If you make a tax-free rollover of a distribution from a Roth IRA to another Roth IRA, you may not make another tax-free rollover from the Roth IRA from which the rollover was made within a 1-year period. A 10% penalty may apply to amounts attributable to a conversion to a Roth IRA if the amounts are distributed during the five taxable years beginning with the year in which the conversion was made.

Sales of a contract for use with a Roth IRA may be subject to special requirements of the IRS. The IRS has not reviewed the contracts described in this prospectus for qualification as IRAs and has not addressed, in a ruling of general applicability, whether the contract’s death benefit provisions comply with IRS qualification requirements.

Distributions - General

Certain tax rules apply to distributions from the contracts. A distribution is any amount taken from a contract including withdrawals, income phase payments, rollovers, exchanges and death benefit proceeds. We report the taxable portion of all distributions to the IRS.

Individual Retirement Annuities. All distributions from an IRA are taxed as received unless either one of the following is true:

- The distribution is rolled over to another IRA, Roth IRA or to a plan eligible to receive rollovers as permitted under the Tax Code; or
- You made after-tax contributions to the plan. In this case the distribution will be taxed according to rules detailed in the Tax Code.

The Tax Code imposes a 10% penalty tax on the taxable portion of any distribution from an IRA unless certain exceptions, including one or more of the following have occurred:

- a) You have attained age 59½;
- b) You have become disabled, as defined in the Tax Code;
- c) You have died and the distribution is to your beneficiary;
- d) The distribution is rolled over into another eligible retirement plan or to a traditional or Roth IRA in accordance with the terms of the Tax Code;
- e) The distribution is made due to an IRS levy; or
- f) The withdrawal amount is paid to an alternate payee under a Qualified Domestic Relations Order (QDRO).

The 10% penalty tax does not apply to a distribution made from an IRA to pay for health insurance premiums for certain unemployed individuals, a qualified first-time home purchase, or for higher education expenses.

Roth IRAs. A qualified distribution from a Roth IRA is not taxed when it is received. A qualified distribution is a distribution:

- Made after the five taxable year period beginning with the first taxable year for which a contribution was made to a Roth IRA of the owner; and
- Made after you attain age 59½, die, become disabled as defined in the Tax Code, or for a qualified first time home purchase.

If a distribution is not qualified, it will be taxable to the extent of the accumulated earnings. A partial distribution will first be treated as a return of contributions, which is not taxable and then as taxable accumulated earnings.

The Tax Code imposes a 10% penalty tax on the taxable portion of any distribution from a Roth IRA that is not a qualified distribution unless certain exceptions have occurred. In general, the exceptions for an IRA listed above also apply to a distribution from a Roth IRA that is not a qualified distribution or a rollover to a Roth IRA that is not a qualified rollover contribution. The 10% penalty tax is also waived on a distribution made from a Roth IRA to pay for health insurance premiums for certain unemployed individuals, used for a qualified first-time home purchase, or for higher education expenses.

Lifetime Required Minimum Distributions (IRAs only)

To avoid certain tax penalties, you and any designated beneficiary must meet the required minimum distribution requirements imposed by the Tax Code. These rules dictate the following:

- Start date for distributions;
- The time period in which all amounts in your contract(s) must be distributed; and
- Distribution amounts.

Start Date. Generally, you must begin receiving distributions by April 1 of the calendar year following the calendar year in which you attain age 70½.

Time Period. We must pay out distributions from the contract over a period not extending beyond one of the following time periods:

- ▷ Over your life or the joint lives of you and your designated beneficiary; or
- ▷ Over a period not greater than your life expectancy or the joint life expectancies of you and your designated beneficiary.

Distribution Amounts. The amount of each required minimum distribution must be calculated in accordance with Tax Code Section 401(a)(9). The entire interest in the account includes the amount of any outstanding rollover, transfer, recharacterization, if applicable, and the actuarial present value of other benefits provided under the account, such as guaranteed death benefits.

50% Excise Tax. If you fail to receive the required minimum distribution for any tax year, a 50% excise tax may be imposed on the required amount that was not distributed.

Required Minimum Distribution Relief for 2009. The Worker, Retiree and Employer Recovery Act of 2008 (“WRERA 2008”) suspends the minimum distribution requirement for most employer sponsored defined contribution plans for the 2009 tax year. The relief extends to IRAs.

Lifetime Required Minimum Distributions are not applicable to Roth IRAs. Further information regarding required minimum distributions may be found in your contract or certificate.

Required Distributions Upon Death (IRAs and Roth IRAs)

Different distribution requirements apply after your death, depending upon if you have begun receiving required minimum distributions. Further information regarding required distributions upon death may be found in your contract or certificate.

If your death occurs on or after you begin receiving minimum distributions under the contract, distributions generally must be made at least as rapidly as under the method in effect at the time of your death. Tax Code section 401(a)(9) provides specific rules for calculating the minimum required distributions after your death.

If your death occurs before you begin receiving minimum distributions under the contract, your entire balance must be distributed by December 31 of the calendar year containing the fifth anniversary of the date of your death. For example, if you died on September 1, 2009, your entire balance must be distributed to the designated beneficiary by December 31, 2014. However, if distributions begin by December 31 of the calendar year following the calendar year of your death, then payments may be made within one of the following timeframes:

- ▷ Over the life of the designated beneficiary; or
- ▷ Over a period not extending beyond the life expectancy of the designated beneficiary.

Start Dates for Spousal Beneficiaries. If the designated beneficiary is your spouse, distributions must begin on or before the later of the following:

- ▷ December 31 of the calendar year following the calendar year of your death; or
- ▷ December 31 of the calendar year in which you would have attained age 70½.

No Designated Beneficiary. If there is no designated beneficiary, the entire interest generally must be distributed by the end of the calendar year containing the fifth anniversary of the contract owner’s death.

Special Rule for IRA Spousal Beneficiaries (IRAs and Roth IRAs). In lieu of taking a distribution under these rules, if the sole designated beneficiary is the contract owner's surviving spouse, the spousal beneficiary may elect to treat the contract as his or her own IRA and defer taking a distribution until his or her own start date. The surviving spouse is deemed to have made such an election if the surviving spouse makes a rollover to or from the contract or fails to take a distribution within the required time period.

Required Minimum Distribution Relief for 2009. Under WRERA 2008, the five year rule discussed above is determined without regard to 2009.

Withholding

Any taxable distributions under the contract are generally subject to withholding. Federal income tax liability rates vary according to the type of distribution and the recipient's tax status.

IRAs and Roth IRAs. Generally, you or, if applicable, a designated beneficiary may elect not to have tax withheld from distributions.

Non-resident Aliens. If you or your designated beneficiary is a non-resident alien, then any withholding is governed by Tax Code section 1441 based on the individual's citizenship, the country of domicile and treaty status, and we may require additional documentation prior to processing any requested distribution.

Assignment and Other Transfers

IRAs and Roth IRAs. The Tax Code does not allow a transfer or assignment of your rights under the contracts except in limited circumstances. Adverse tax consequences may result if you assign or transfer your interest in the contract to persons other than your spouse incident to a divorce. Anyone contemplating such an assignment or transfer should contact a qualified tax adviser regarding the potential tax effects of such a transaction.

III. Possible Changes in Taxation

Although the likelihood of legislative change and tax reform is uncertain, there is always the possibility that the tax treatment of the contracts could change by legislation or other means. It is also possible that any change could be retroactive (that is, effective before the date of the change). You should consult a tax adviser with respect to legislative developments and their effect on the contract.

IV. Taxation of the Company

We are taxed as a life insurance company under the Tax Code. Variable Annuity Account C is not a separate entity from us. Therefore, it is not taxed separately as a "regulated investment company" but is taxed as part of the Company.

We automatically apply investment income and capital gains attributable to the separate account to increase reserves under the contracts. Because of this, under existing federal tax law we believe that any such income and gains will not be taxed to the extent that such income and gains are applied to increase reserves under the contracts. In addition, any foreign tax credits attributable to the separate account will be first used to reduce any income taxes imposed on the separate account before being used by the Company.

In summary, we do not expect that we will incur any federal income tax liability attributable to the separate account and we do not intend to make any provision for such taxes. However, changes in federal tax laws and/or their interpretation may result in our being taxed on income or gains attributable to the separate account. In this case we may impose a charge against the separate account (with respect to some or all of the contracts) to set aside provisions to pay such taxes. We may deduct this amount from the separate account, including from your contract value invested in the subaccounts.

Other Topics

Payment Delay or Suspension

We reserve the right to suspend or postpone the date of any payment of benefits or values under the following circumstances:

- ▷ On any valuation date when the New York Stock Exchange is closed (except customary holidays or weekends or when trading on the New York Stock Exchange is restricted);
- ▷ When an emergency exists as determined by the SEC so that disposal of the securities held in the subaccounts is not reasonably practicable or it is not reasonably practicable to determine the value of the subaccount's assets; or
- ▷ During any other periods the SEC permits for the protection of investors.

The conditions under which restricted trading or an emergency exists shall be determined by the rules and regulations of the SEC.

Performance Reporting

We may advertise different types of historical performance for the subaccounts including:

- ▷ Standardized average annual total returns; and
- ▷ Non-standardized average annual total returns.

We may also advertise certain ratings, rankings or other information related to the Company, the subaccounts or the funds.

Standardized Average Annual Total Returns. We calculate standardized average annual total returns according to a formula prescribed by the SEC. This shows the percentage return applicable to \$1,000 invested in the subaccount over the most recent month-end, one, five and ten-year periods. If the investment option was not available for the full period, we give a history from the date money was first received in that option under the separate account or from the date the fund was first available under the separate account. As an alternative to providing the most recent month-end performance, we may provide a phone number, website or both where these returns may be obtained. Standardized average annual total returns reflect deduction of all recurring charges during each period (i.e., maintenance fees (if any), mortality and expense risk charges, administrative expense charges (if any), ING GET Fund guarantee charges (if any), and any applicable early withdrawal charges).

Non-Standardized Average Annual Total Returns. We calculate non-standardized average annual total returns in a similar manner as that stated above, except we may include returns that do not reflect the deduction of any applicable early withdrawal charge. Some non-standardized returns may also exclude the effect of a maintenance fee. If we reflected these charges in the calculation, they would decrease the level of performance reflected by the calculation. Non-standardized returns may also include performance from the fund's inception date, if that date is earlier than the one we use for standardized returns.

Voting Rights

Each of the subaccounts holds shares in a fund and each is entitled to vote at regular and special meetings of that fund. Under our current view of applicable law, we will vote the shares for each subaccount as instructed by persons having a voting interest in the subaccount. We will vote shares for which instructions have not been received in the same proportion as those for which we received instructions. Each person who has a voting interest in the separate account will receive periodic reports relating to the funds in which he or she has an interest, as well as any proxy materials and a form on which to give voting instructions. Voting instructions will be solicited by a written communication at least 14 days before the meeting.

The number of votes (including fractional votes) you are entitled to direct will be determined as of the record date set by any fund you invest in through the subaccounts.

- During the accumulation phase the number of votes is equal to the portion of your account value invested in the fund, divided by the net asset value of one share of that fund.
- During the income phase the number of votes is equal to the portion of reserves set aside for the contract's share of the fund, divided by the net asset value of one share of that fund.

Contract Modification

We may modify the contract when we deem an amendment appropriate by providing you written notice 30 days before the effective date of the change. The most likely reason for a change to the contract would be to ensure compliance with applicable law. Certain changes will require the approval of appropriate state or federal regulatory authorities.

Involuntary Terminations

1992 and 1994 Contracts: Following the completion of two contract years in which no purchase payments have been made, the Company reserves the right to pay the contract's current account value to you if that value is less than \$1,500, provided the Company gives you 90 days written notice. Such value paid may not utilize the reinvestment privilege. The full value payable to you will not be reduced by any early withdrawal charge, and amounts withdrawn from the Guaranteed Interest Account, if applicable, will not receive a reduced rate of interest. Amounts withdrawn from the Guaranteed Interest Account will receive a guaranteed effective annual yield to the date of contract termination as if the amounts had remained in the Guaranteed Interest Account until the end of a guaranteed term, see Appendix I. This provision does not apply if you have initiated income phase payments.

2004 Contracts: Subject to state regulatory approval, following the completion of three contract years in which no purchase payments have been made, the Company reserves the right to pay the contract's current account value to you if that value is less than \$2,000, provided the Company gives you 90 days written notice. Such value paid may not utilize the reinvestment privilege. The full value payable to you will not be reduced by any early withdrawal charge. Amounts withdrawn from the Guaranteed Accumulation Account will receive the greater of: (a) the aggregate MVA amount from all guaranteed terms prior to the end of those terms; or (b) the applicable portion of your account value in the Guaranteed Accumulation Account. This provision does not apply if you have initiated income phase payments.

Legal Matters and Proceedings

We are not aware of any pending legal proceedings which involve the separate account as a party.

The Company is involved in threatened or pending lawsuits/arbitrations arising from the normal conduct of business. Due to the climate in insurance and business litigation/arbitrations, suits against the Company sometimes include claims for substantial compensatory, consequential, or punitive damages and other types of relief. Moreover, certain claims are asserted as class actions, purporting to represent a group of similarly situated individuals. While it is not possible to forecast the outcome of such lawsuits/arbitrations, in light of existing insurance, reinsurance, and established reserves, it is the opinion of management that the disposition of such lawsuits/arbitrations will not have a materially adverse effect on the Company's operations or financial position.

ING Financial Advisers, LLC, the principal underwriter and distributor of the contract (the "distributor"), is a party to threatened or pending lawsuits/arbitration that generally arise from the normal conduct of business. Some of these suits may seek class action status and sometimes include claims for substantial compensatory, consequential or punitive damages and other types of relief. ING Financial Advisers, LLC is not involved in any legal proceeding which, in the opinion of management, is likely to have a material adverse effect on its ability to distribute the contract.

Contents of the Statement of Additional Information

The Statement of Additional Information (SAI) contains more specific information on the separate account and the contract, as well as the financial statements of the separate account and the Company. A list of the contents of the SAI is set forth below:

| | Page |
|-----------------------------------------------------------------------------|------|
| General Information and History | 2 |
| Variable Annuity Account C | 2 |
| Offering and Purchase of Contracts | 4 |
| Income Phase Payments | 4 |
| Sales Material and Advertising | 5 |
| Independent Registered Public Accounting Firm | 5 |
| Financial Statements of the Separate Account | S-1 |
| Consolidated Financial Statements of ING Life Insurance and Annuity Company | C-1 |

You may request an SAI by calling the Company at the number listed in “Contract Overview - Questions: Contacting the Company.”

Appendix I

Guaranteed Interest Account

(Offered under 1992 and 1994 contracts only, subject to regulatory approval)

The Guaranteed Interest Account (GIA) is an investment option available during the accumulation phase. Amounts allocated to GIA are held in a nonunitized separate account of the Company, as described below.

General Disclosure. Interests in GIA have not been registered with the SEC in reliance on exemptions under the Securities Act of 1933, as amended. Disclosure in this prospectus regarding GIA, may, however, be subject to certain generally applicable provisions of the federal securities laws relating to the accuracy and completeness of such statements. Disclosure in this appendix regarding GIA has not been reviewed by the SEC.

Overview. Amounts that you invest in GIA will earn a guaranteed interest rate if amounts are left in GIA for the specified period of time. Interest is credited daily at a rate that will provide the guaranteed effective yield by the end of the stated period of time. If amounts are withdrawn or transferred before the end of a stated period of time (except if pursuant to the Company's termination of the contract, see "Other Topics - Involuntary Terminations"), we will pay a reduced rate of interest, but never less than the minimum stated in the contract.

During a stated period, you may apply all or a portion of your account value to any or all available guaranteed terms within the short-term and long-term classifications.

- ▷ Short-Term Classification - Three years or less
- ▷ Long-Term Classification - Ten years or less, but greater than three years

As a guaranteed term matures, assets accumulating under GIA may be (a) transferred to a new guaranteed term, (b) transferred to the other available investment options, or (c) withdrawn. Amounts withdrawn may be subject to an early withdrawal charge and/or tax liabilities.

Allocations to a Nonunitized Separate Account of the Company. Amounts allocated to both long-term and short-term classifications of GIA will be deposited in a nonunitized separate account. To the extent provided in the contract, the assets of the separate account are not chargeable with liabilities resulting from any other business of the Company. Income, gains and losses of the separate account are credited to or charged against the separate account without regard to other income, gains or losses of the Company.

Mortality and Expense Risk Charge. We make no deductions from the credited interest rate for mortality and expense risks; these risks are considered in determining the credited interest rate.

Transfers. Transfers are permitted from guaranteed terms of one classification to available guaranteed terms of another classification. We will apply a reduced rate of interest to amounts transferred prior to the end of a guaranteed term. Transfers of GIA values due to a maturity are not subject to a reduced rate of interest.

Income Phase. By notifying us at least 30 days before income phase payments begin, you may elect to have amounts that have been accumulating under GIA transferred to one or more of the subaccounts currently available during the income phase to provide variable income phase payments. GIA cannot be used as an investment option during the income phase.

Reinvestment Privilege. Any amounts reinvested in GIA will be applied to the current deposit period. Amounts are proportionately reinvested to the classifications in the same manner as they were allocated before the withdrawal.

Appendix II

Fixed Account

General Disclosure.

- ▷ The Fixed Account is an investment option available during the accumulation phase under the contracts.
- ▷ Amounts allocated to the Fixed Account are held in the Company's general account, which supports insurance and annuity obligations.
- ▷ Interests in the Fixed Account have not been registered with the SEC in reliance on exemptions under the Securities Act of 1933, as amended.
- ▷ Disclosure in this prospectus regarding the Fixed Account may be subject to certain generally applicable provisions of the federal securities laws relating to the accuracy and completeness of the statements.
- ▷ Disclosure in this appendix regarding the Fixed Account has not been reviewed by the SEC.
- ▷ Additional information about this option may be found in the contract.

Interest Rates.

- ▷ The Fixed Account guarantees that amounts allocated to this option will earn the minimum interest rate specified in the contract. We may credit a higher interest rate from time to time, but the rate we credit will never fall below the guaranteed minimum specified in the contract. Amounts applied to the Fixed Account will earn the interest rate in effect at the time money is applied. Amounts in the Fixed Account will reflect a compound interest rate as credited by us. The rate we quote is an annual effective yield. Among other factors, the safety of the interest rate guarantees depends upon the claims-paying ability of the Company.
- ▷ Our determination of credited interest rates reflects a number of factors, including mortality and expense risks, interest rate guarantees, the investment income earned on invested assets and the amortization of any capital gains and/or losses realized on the sale of invested assets. Under this option, we assume the risk of investment gain or loss by guaranteeing the amounts you allocate to this option and promising a minimum interest rate and income phase payment.

Withdrawals. Under certain emergency conditions, we may defer payment of any withdrawal for up to six months or as provided by applicable federal or state law. Additionally, if allowed by state law, we may pay withdrawals in equal payments with interest, over a period not to exceed 60 months when:

- (a) The Fixed Account withdrawal value exceeds \$100,000 (\$250,000 for 1992 contracts); or
- (b) The sum of the current Fixed Account withdrawal and total of all Fixed Account withdrawals within the past 12 calendar months exceeds 20% of the amount in the Fixed Account on the day before the current withdrawal.

During the payment period, the interest rate credited to amounts held in the Fixed Account will be determined in the manner set forth in the contract. In no event will the interest rate be less than the guaranteed minimum stated in the contract.

Charges. We do not make deductions from amounts in the Fixed Account to cover mortality and expense risks. We consider these risks when determining the credited rate. If you make a withdrawal from amounts in the Fixed Account, an early withdrawal charge may apply. See “Fees.”

Transfers. During the accumulation phase, you may transfer account dollars from the Fixed Account to any other available investment option. We may vary the dollar amount that you are allowed to transfer, but it will never be less than 10% of your account value held in the Fixed Account. Under certain contracts, the 10% minimum is assessed on the account value as of January 1 of a calendar year.

Additionally, your account value remaining in the Fixed Account may be transferred in its entirety to any other investment option if one of the following applies:

- (a) Your account value in the Fixed Account is \$2,000 or less; or
- (b) You transferred the maximum amount allowed from the Fixed Account in the last four consecutive calendar years and no additional payments have been allocated to the Fixed Account during that same time period.

Income Phase. By notifying us at least 30 days before income phase payments begin, you may elect to have amounts transferred to one or more of the subaccounts available during the income phase to provide variable payments. The Fixed Account is not available as an investment option during the income phase.

Appendix III

Guaranteed Accumulation Account

(For contracts issued on or after April 1, 2004, subject to regulatory approval of the contract)

The Guaranteed Accumulation Account is a fixed interest option that may be available during the accumulation phase under the contracts. This appendix is only a summary of certain facts pertaining to the Guaranteed Accumulation Account. Review the Guaranteed Accumulation Account prospectus before investing in this option. You may obtain a Guaranteed Accumulation Account prospectus by writing or calling us at the address and phone number listed in "Contract Overview - Questions: Contacting the Company."

The Guaranteed Accumulation Account is not available in the states of Maryland and Washington.

General Disclosure. Amounts that you invest in the Guaranteed Accumulation Account will earn a guaranteed interest rate if amounts are left in the Guaranteed Accumulation Account for the specified period of time. If you withdraw or transfer those amounts before the specified period of time has elapsed, we may apply a market value adjustment, which may be positive or negative.

When you decide to invest money in the Guaranteed Accumulation Account, you will want to contact your sales representative or our Home Office to learn:

- ▷ The interest rate we will apply to the amounts that you invest in the Guaranteed Accumulation Account. We change this rate periodically, so be certain that you know what rate we guarantee on the day your account dollars are invested into the Guaranteed Accumulation Account.
- ▷ The period of time your account dollars need to remain in the Guaranteed Accumulation Account in order to earn that rate. You are required to leave your account dollars in the Guaranteed Accumulation Account for a specified period of time (guaranteed term), in order to earn the guaranteed interest rate.

Deposit Periods. A deposit period is the time during which we offer a specific interest rate if you deposit dollars for a certain guaranteed term. To have a particular interest rate and guaranteed term apply to your account dollars, you must invest them during the deposit period for which that rate and term are offered.

Interest Rates. We guarantee different interest rates, depending upon when account dollars are invested in the Guaranteed Accumulation Account. The interest rate we guarantee is an annual effective yield; that means that the rate reflects a full year's interest. We credit interest daily at a rate that will provide the guaranteed annual effective yield over one year. The guaranteed interest rate will never be less than the rate stated in the contract.

Our guaranteed interest rates are influenced by, but do not necessarily correspond to, interest rates available on fixed income investments we may buy using deposits directed to the Guaranteed Accumulation Account. We consider other factors when determining guaranteed interest rates including regulatory and tax requirements, sales commissions and administrative expenses borne by the Company, general economic trends, competitive factors, and whether an interest rate lock is being offered for that guaranteed term under certain contracts. **We make the final determination regarding guaranteed interest rates. We cannot predict the level of future guaranteed interest rates.**

Interest Rate Lock. Certain contracts may provide a 45 day interest rate lock in connection with external transfers into Guaranteed Accumulation Account, which you must elect at the time you initiate the external transfer. Under this rate lock provision, we will deposit external transfers to the deposit period offering the greater of (a) and (b) where:

- a) is the guaranteed interest rate for the deposit period in effect at the time we receive the rate lock election; and
- b) is the guaranteed interest rate for the deposit period in effect at the time we receive an external transfer from your prior provider.

This rate lock will be available to all external transfers received for 45 days from the date we receive a rate lock election. In the event we receive an external transfer after this 45 day time period, it will be deposited to the deposit period in effect at the time we receive the external transfer, and will earn the guaranteed interest rate for that guaranteed term. Only one rate lock may be in effect at one time per contract -- once a rate lock has been elected, that rate lock will apply to all external transfers received during that 45 day period, and you may not elect to begin a new rate lock period during that 45 day period.

Amounts subject to the rate lock will not be deposited until the external transfer has been received, and will not be credited interest until deposited. This could result in the deposit being credited interest for a shorter term than if a rate lock had not been elected. The cost of providing a rate lock may be a factor we consider when determining the guaranteed interest rate for a deposit period, which impacts the guaranteed interest rate for all investors in that guaranteed term.

Fees and Other Deductions. If all or a portion of your account value in the Guaranteed Accumulation Account is withdrawn, you may incur the following:

- ▷ Market Value Adjustment (MVA) - as described in this appendix and in the Guaranteed Accumulation Account prospectus;
- ▷ Tax Penalties and/or Tax Withholding. See “Taxation;”
- ▷ Early Withdrawal Charge. See “Fees;” or
- ▷ Maintenance Fee. See “Fees.”

We do not make deductions from amounts in the Guaranteed Accumulation Account to cover mortality and expense risks. Rather, we consider these risks when determining the credited rate.

Market Value Adjustment (MVA). If you withdraw or transfer your account value from the Guaranteed Accumulation Account before the guaranteed term is completed, an MVA may apply. The MVA reflects the change in the value of the investment due to changes in interest rates since the date of deposit. The MVA may be positive or negative.

- ▷ If interest rates at the time of withdrawal have increased since the date of deposit, the value of the investment decreases and the MVA will be negative. This could result in your receiving less than the amount you paid into the Guaranteed Accumulation Account.
- ▷ If interest rates at the time of withdrawal have decreased since the date of deposit, the value of the investment increases and the MVA will be positive.

Guaranteed Terms. The guaranteed term is the period of time account dollars must be left in the Guaranteed Accumulation Account in order to earn the guaranteed interest rate specified for that guaranteed term. We offer different guaranteed terms at different times. Check with your sales representative or our Home Office to learn the details about the guaranteed term(s) currently being offered. In general we offer the following guaranteed terms:

- ▷ Short Term - three years or fewer; and
- ▷ Long Term - ten years or less, but greater than three years.

At the end of a guaranteed term you may:

- ▷ Transfer dollars to a new guaranteed term;
- ▷ Transfer dollars to other available investment options; or
- ▷ Withdraw dollars.

Deductions may apply to withdrawals. See “Fees and Other Deductions” in this appendix.

Transfers. Generally, account dollars invested in the Guaranteed Accumulation Account may be transferred among guaranteed terms offered through the Guaranteed Accumulation Account, and/or to other investment options offered through the contract. However, transfers may not be made during the deposit period in which your account dollars are invested in the Guaranteed Accumulation Account or for 90 days after the close of that deposit period. We will apply an MVA to transfers made before the end of a guaranteed term.

The Income Phase. The Guaranteed Accumulation Account can not be used as an investment option during the income phase, however, by making a request in good order to our Home Office at least 30 days in advance, you may elect to transfer your Guaranteed Accumulation Account dollars to any of the subaccounts available during the income phase.

Reinvestment Privilege. If amounts are withdrawn from the Guaranteed Accumulation Account and then reinvested in the Guaranteed Accumulation Account, we will apply the reinvested amount to the current deposit period. This means that the guaranteed annual interest rate and guaranteed terms available on the date of reinvestment will apply. Amounts will be reinvested proportionately in the same way as they were allocated before withdrawal. Your account value will not be credited for any negative MVA that was deducted at the time of withdrawal.

Appendix IV

Description of Underlying Funds

List of Fund Name Changes

| Current Fund Name | Former Fund Name |
|--------------------------------------------------------------|-------------------------------------------------------|
| ING Artio Foreign Portfolio | ING Julius Baer Foreign Portfolio |
| ING Balanced Portfolio | ING VP Balanced Portfolio |
| ING BlackRock Science and Technology Opportunities Portfolio | ING BlackRock Global Science and Technology Portfolio |
| ING Clarion Global Real Estate Portfolio | ING Global Real Estate Portfolio |
| ING Growth and Income Portfolio | ING VP Growth and Income Portfolio |
| ING Index Plus International Equity Portfolio | ING VP Index Plus International Equity Portfolio |
| ING Index Plus LargeCap Portfolio | ING VP Index Plus LargeCap Portfolio |
| ING Index Plus MidCap Portfolio | ING VP Index Plus MidCap Portfolio |
| ING Index Plus SmallCap Portfolio | ING VP Index Plus SmallCap Portfolio |
| ING Intermediate Bond Portfolio | ING VP Intermediate Bond Portfolio |
| ING International Value Portfolio | ING VP International Value Portfolio |
| ING MidCap Opportunities Portfolio | ING VP MidCap Opportunities Portfolio |
| ING Money Market Portfolio | ING VP Money Market Portfolio |
| ING Opportunistic LargeCap Portfolio | ING Opportunistic LargeCap Value Portfolio |
| ING Small Company Portfolio | ING VP Small Company Portfolio |
| ING SmallCap Opportunities Portfolio | ING VP SmallCap Opportunities Portfolio |
| ING Strategic Allocation Conservative Portfolio | ING VP Strategic Allocation Conservative Portfolio |
| ING Strategic Allocation Growth Portfolio | ING VP Strategic Allocation Growth Portfolio |
| ING Strategic Allocation Moderate Portfolio | ING VP Strategic Allocation Moderate Portfolio |

The investment results of the mutual funds (funds) are likely to differ significantly and there is no assurance that any of the funds will achieve their respective investment objectives. You should consider the investment objectives, risks and charges, and expenses of the funds carefully before investing. Please refer to the fund prospectuses for additional information. Shares of the funds will rise and fall in value and you could lose money by investing in the funds. Shares of the funds are not bank deposits and are not guaranteed, endorsed or insured by any financial institution, the Federal Deposit Insurance Corporation or any other government agency. Except as noted, all funds are diversified, as defined under the Investment Company Act of 1940. Fund prospectuses may be obtained free of charge at the address and telephone number listed in “Contract Overview – Questions: Contacting the Company,” by accessing the SEC’s web site or by contacting the SEC Public Reference Branch.

Certain funds offered under the contracts have investment objectives and policies similar to other funds managed by the fund’s investment adviser. The investment results of a fund may be higher or lower than those of other funds managed by the same adviser. There is no assurance and no representation is made that the investment results of any fund will be comparable to those of another fund managed by the same investment adviser.

For the variable share class of each fund offered through your contract, please see the cover page.

| Fund Name | Investment Adviser/ Subadviser | Investment Objective(s) |
|-------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| AIM Variable Insurance Funds - AIM V.I. Capital Appreciation Fund | Invesco Aim Advisors, Inc. Subadviser: Advisory entities affiliated with Invesco Aim Advisors, Inc. | Seeks growth of capital. |

| Fund Name | Investment Adviser/ Subadviser | Investment Objective(s) |
|--------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AIM Variable Insurance Funds - AIM V.I. Core Equity Fund | Invesco Aim Advisors, Inc. Subadviser: Advisory entities affiliated with Invesco Aim Advisors, Inc. | Seeks growth of capital. |
| AllianceBernstein Variable Products Series Fund, Inc. – AllianceBernstein Growth and Income Portfolio | AllianceBernstein, L.P. | Seeks long-term growth of capital. |
| Calvert Variable Series, Inc. – Calvert Social Balanced Portfolio | Calvert Asset Management Company, Inc. Subadviser: (equity Portion of Portfolio): New Amsterdam Partners LLC and SSgA Funds Management, Inc. Calvert Asset Management Company, Inc. manages fixed- income portion of Portfolio and handles allocation of assets and Portfolio Managers for the Portfolio. | A <i>non-diversified</i> portfolio that seeks to achieve a competitive total return through an actively managed portfolio of stocks, bonds and money market instruments which offer income and capital growth opportunity and which satisfy the investment and social criteria. |
| Fidelity® Variable Insurance Products – Fidelity® VIP Contrafund® Portfolio | Fidelity Management & Research Company Subadvisers: FMR Co., Inc.; Fidelity Management & Research (U.K.) Inc.; Fidelity Research & Analysis Company; Fidelity Investments Japan Limited; Fidelity International Investment Advisors; Fidelity International Investment Advisors (U.K.) Limited | Seeks long-term capital appreciation. |

| Fund Name | Investment Adviser/ Subadviser | Investment Objective(s) |
|--------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Fidelity® Variable Insurance Products – Fidelity® VIP Equity-Income Portfolio | <p>Fidelity Management & Research Company</p> <p>Subadvisers: FMR Co., Inc.; Fidelity Management & Research (U.K.) Inc.; Fidelity Research & Analysis Company; Fidelity Investments Japan Limited; Fidelity International Investment Advisors; Fidelity International Investment Advisors (U.K.) Limited</p> | Seeks reasonable income. Also considers the potential for capital appreciation. Seeks to achieve a yield which exceeds the composite yield on the securities comprising the Standard & Poor's 500 SM Index (S&P 500 [®]). |
| Fidelity® Variable Insurance Products – Fidelity® VIP Growth Portfolio | <p>Fidelity Management & Research Company</p> <p>Subadvisers: FMR Co., Inc.; Fidelity Management & Research (U.K.) Inc.; Fidelity Research & Analysis Company; Fidelity International Investment Advisors; Fidelity International Investment Advisors (U.K.) Limited; Fidelity Investments Japan Limited</p> | |
| Fidelity® Variable Insurance Products – Fidelity® VIP Overseas Portfolio | <p>Fidelity Management & Research Company</p> <p>Subadvisers: FMR Co., Inc.; Fidelity Management & Research (U.K.) Inc.; Fidelity Research & Analysis Company; Fidelity International Investment Advisors; Fidelity International Investment Advisors (U.K.) Limited; Fidelity Investments Japan Limited</p> | Seeks to achieve capital appreciation. |
| Franklin Templeton Variable Insurance Products Trust – Franklin Small Cap Value Securities Fund | Franklin Advisory Services, LLC | Seeks long-term growth of capital. |

| Fund Name | Investment Adviser/ Subadviser | Investment Objective(s) |
|-----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ING Partners, Inc. – ING American Century Large Company Value Portfolio | Directed Services LLC Subadviser: American Century Investment Management, Inc. (American Century) | Seeks long-term capital growth; income is a secondary objective. |
| ING Partners, Inc. – ING American Century Small-Mid Cap Value Portfolio | Directed Services LLC Subadviser: American Century Investment Management, Inc. (American Century) | Seeks long-term capital growth; income is a secondary objective. |
| ING Investors Trust - ING Artio Foreign Portfolio | Directed Services LLC Subadviser: Artio Global Management, LLC | Seeks long-term growth of capital. |
| ING Balanced Portfolio, Inc. | ING Investments, LLC Subadviser: ING Investment Management Co. | Seeks to maximize investment return, consistent with reasonable safety of principal, by investing in a diversified portfolio of one or more of the following asset classes: stocks, bonds and cash equivalents, based on the judgment of the Portfolio's management, of which of those sectors or mix thereof offers the best investment prospects. |
| ING Partners, Inc. – ING Baron Small Cap Growth Portfolio | Directed Services LLC Subadviser: BAMCO, Inc. (BAMCO) | Seeks capital appreciation. |
| ING Investors Trust – ING BlackRock Large Cap Growth Portfolio | Directed Services LLC Subadviser: BlackRock Investment Management, LLC | Seeks long-term growth of capital. |
| ING Variable Portfolios, Inc. – ING BlackRock Science and Technology Opportunities Portfolio | ING Investments, LLC Subadviser: BlackRock Advisors, LLC. | Seeks long-term capital appreciation. |
| ING Investors Trust – ING Clarion Global Real Estate Portfolio | ING Investments, LLC Subadviser: ING Clarion Real Estate Securities L.P. | A <i>non-diversified</i> Portfolio that seeks to provide investors with high total return, consisting of capital appreciation and current income. |
| ING Partners, Inc. – ING Davis New York Venture Portfolio | Directed Services LLC Subadviser: Davis Selected Advisers, L.P. (Davis) | Seeks long-term growth of capital. |
| ING Variable Insurance Trust – ING GET U.S. Core Portfolio | ING Investments, LLC Subadviser: ING Investment Management Co. (ING IM) | Seeks to achieve maximum total return and minimal exposure of the Series' assets to a market value loss by participating, to the extent possible, in favorable equity market performance during the guarantee period. |

| Fund Name | Investment Adviser/ Subadviser | Investment Objective(s) |
|----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ING Variable Funds – ING Growth and Income Portfolio | ING Investments, LLC Subadviser: ING Investment Management Co. | Seeks to maximize total return through investments in a diversified portfolio of common stocks and securities convertible into common stock. |
| ING Investors Trust – ING Index Plus International Equity Portfolio | ING Investments, LLC Subadviser: ING Investment Management Advisors, B.V. | Seeks to outperform the total return performance of the Morgan Stanley Capital International Europe Australasia and Far East [®] Index (“MSCI EAFE [®] Index”), while maintaining a market level of risk. |
| ING Variable Portfolios, Inc. – ING Index Plus LargeCap Portfolio | ING Investments, LLC Subadviser: ING Investment Management Co. | Seeks to outperform the total return performance of the Standard & Poor’s 500 Composite Stock Price Index (S&P 500 Index), while maintaining a market level of risk. |
| ING Variable Portfolios, Inc. – ING Index Plus MidCap Portfolio | ING Investments, LLC Subadviser: ING Investment Management Co. | Seeks to outperform the total return performance of the Standard & Poor’s MidCap 400 Index (S&P MidCap 400 Index), while maintaining a market level of risk. |
| ING Variable Portfolios, Inc. – ING Index Plus SmallCap Portfolio | ING Investments, LLC Subadviser: ING Investment Management Co. | Seeks to outperform the total return performance of the Standard and Poor’s SmallCap 600 Index (S&P SmallCap 600 Index), while maintaining a market level of risk. |
| ING Intermediate Bond Portfolio | ING Investments, LLC Subadviser: ING Investment Management Co. | Seeks to maximize total return consistent with reasonable risk. |
| ING Variable Products Trust – ING International Value Portfolio | ING Investments, LLC Subadviser: ING Investment Management Co. | Seeks long-term capital appreciation. |
| ING Partners, Inc. – ING JPMorgan Mid Cap Value Portfolio | Directed Services LLC Subadviser: J.P. Morgan Investment Management Inc. (JPMIM) | Seeks growth from capital appreciation. |
| ING Investors Trust - ING JPMorgan Value Opportunities Portfolio | Directed Services LLC Subadviser: J.P. Morgan Investment Management Inc. | Seeks long-term capital appreciation. |

| Fund Name | Investment Adviser/ Subadviser | Investment Objective(s) |
|------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ING Partners, Inc. – ING Legg Mason Partners Aggressive Growth Portfolio | Directed Services LLC Subadviser: ClearBridge Advisors, LLC (ClearBridge) | Seeks long-term growth of capital. |
| ING Investors Trust – ING Lord Abbett Affiliated Portfolio | Directed Services LLC Subadviser: Lord, Abbett & Co. LLC | Seeks long-term growth of capital and secondarily, current income. |
| ING Investors Trust - ING Marsico Growth Portfolio | Directed Services LLC Subadviser: Marsico Capital Management, LLC | Seeks capital appreciation. |
| ING Investors Trust - ING MFS Total Return Portfolio | Directed Services LLC Subadviser: Massachusetts Financial Services Company | Seeks above-average income (compared to a portfolio entirely invested in equity securities) consistent with the prudent employment of capital. Secondarily seeks reasonable opportunity for growth of capital and income. |
| ING Variable Products Trust – ING MidCap Opportunities Portfolio | ING Investments, LLC Subadviser: ING Investment Management Co. | Seeks long-term capital appreciation. |
| ING Money Market Portfolio | ING Investments, LLC Subadviser: ING Investment Management Co. | Seeks to provide high current return, consistent with preservation of capital and liquidity, through investment in high-quality money market instruments while maintaining a stable share price of \$1.00. There is no guarantee that the ING Money Market Subaccount will have a positive or level return. |
| ING Partners, Inc. – ING Oppenheimer Global Portfolio | Directed Services LLC Subadviser: OppenheimerFunds, Inc. (Oppenheimer) | Seeks capital appreciation. |
| ING Partners, Inc. – ING Oppenheimer Strategic Income Portfolio | Directed Services LLC Subadviser: OppenheimerFunds, Inc. (Oppenheimer) | Seeks a high level of current income principally derived from interest on debt securities. |
| ING Variable Portfolios, Inc. – ING Opportunistic LargeCap Growth Portfolio | ING Investments, LLC Subadviser: ING Investment Management Co. | Seeks growth of capital through investment in a diversified portfolio consisting primarily of common stocks and securities convertible into common stocks believed to offer growth potential. |
| ING Variable Portfolios, Inc. – ING Opportunistic LargeCap Portfolio | ING Investments, LLC Subadviser: ING Investment Management Co. | Seeks growth of capital primarily through investment in a diversified portfolio of common stocks. |

| Fund Name | Investment Adviser/ Subadviser | Investment Objective(s) |
|---------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ING Partners, Inc. – ING PIMCO Total Return Portfolio | Directed Services LLC Subadviser: Pacific Investment Management Company LLC (PIMCO) | Seeks maximum total return, consistent with capital preservation and prudent investment management. |
| ING Investors Trust - ING Pioneer Equity Income Portfolio | Directed Services LLC Subadviser: Pioneer Investment Management, Inc. | Seeks current income and long-term growth of capital from a portfolio consisting primarily of equity securities of U.S. corporations that are expected to produce income. |
| ING Investors Trust - ING Pioneer Fund Portfolio | Directed Services LLC Subadviser: Pioneer Investment Management, Inc. | Seeks reasonable income and capital growth. |
| ING Partners, Inc. – ING Pioneer High Yield Portfolio | Directed Services LLC Subadviser: Pioneer Investment Management, Inc. (Pioneer) | Seeks to maximize total return through income and capital appreciation. |
| ING Investors Trust - ING Pioneer Mid Cap Value Portfolio | Directed Services LLC Subadviser: Pioneer Investment Management, Inc. | Seeks capital appreciation. |
| ING Variable Portfolios, Inc. – ING Small Company Portfolio | ING Investments, LLC Subadviser: ING Investment Management Co. | Seeks growth of capital primarily through investment in a diversified portfolio of common stocks of companies with smaller market capitalizations. |
| ING Variable Products Trust – ING SmallCap Opportunities Portfolio | ING Investments, LLC Subadviser: ING Investment Management Co. | Seeks long-term capital appreciation. |
| ING Partners, Inc. – ING Solution Income Portfolio | Directed Services LLC Consultant: ING Investment Management Co. | Seeks to provide a combination of total return and stability of principal consistent with an asset allocation targeted to retirement. |
| ING Partners, Inc. – ING Solution 2015 Portfolio | Directed Services LLC Consultant: ING Investment Management Co. | Until the day prior to its Target Date, the Portfolio will seek to provide total return consistent with an asset allocation targeted at retirement in approximately 2015. On the Target Date, the Portfolio's investment objective will be to seek to provide a combination of total return and stability of principal consistent with an asset allocation targeted to retirement. |

| Fund Name | Investment Adviser/ Subadviser | Investment Objective(s) |
|----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ING Partners, Inc. – ING Solution 2025 Portfolio | Directed Services LLC Consultant: ING Investment Management Co. | Until the day prior to its Target Date, the Portfolio will seek to provide total return consistent with an asset allocation targeted at retirement in approximately 2025. On the Target Date, the Portfolio's investment objective will be to seek to provide a combination of total return and stability of principal consistent with an asset allocation targeted to retirement. |
| ING Partners, Inc. – ING Solution 2035 Portfolio | Directed Services LLC Consultant: ING Investment Management Co. | Until the day prior to its Target Date, the Portfolio will seek to provide total return consistent with an asset allocation targeted at retirement in approximately 2035. On the Target Date, the Portfolio's investment objective will be to seek to provide a combination of total return and stability of principal consistent with an asset allocation targeted to retirement. |
| ING Partners, Inc. – ING Solution 2045 Portfolio | Directed Services LLC Consultant: ING Investment Management Co. | Until the day prior to its Target Date, the Portfolio will seek to provide total return consistent with an asset allocation targeted at retirement in approximately 2045. On the Target Date, the Portfolio's investment objective will be to seek to provide a combination of total return and stability of principal consistent with an asset allocation targeted to retirement. |
| ING Strategic Allocation Portfolios, Inc. – ING Strategic Allocation Conservative Portfolio | ING Investments, LLC Subadviser: ING Investment Management Co. | Seeks to provide total return (i.e. income and capital growth, both realized and unrealized) consistent with preservation of capital. |
| ING Strategic Allocation Portfolios, Inc. – ING Strategic Allocation Growth Portfolio | ING Investments, LLC Subadviser: ING Investment Management Co. | Seeks to provide capital appreciation. |
| ING Strategic Allocation Portfolios, Inc. – ING Strategic Allocation Moderate Portfolio | ING Investments, LLC Subadviser: ING Investment Management Co. | Seeks to provide total return (i.e., income and capital appreciation, both realized and unrealized). |
| ING Partners, Inc. – ING T. Rowe Price Diversified Mid Cap Growth Portfolio | Directed Services LLC Subadviser: T. Rowe Price Associates, Inc. (T. Rowe Price) | Seeks long-term capital appreciation. |
| ING Investors Trust - ING T. Rowe Price Equity Income Portfolio | Directed Services LLC Subadviser: T. Rowe Price Associates, Inc. | Seeks substantial dividend income as well as long-term growth of capital. |

| Fund Name | Investment Adviser/ Subadviser | Investment Objective(s) |
|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| ING Partners, Inc. – ING T. Rowe Price Growth Equity Portfolio | Directed Services LLC Subadviser: T. Rowe Price Associates, Inc. (T. Rowe Price) | Seeks long-term capital growth, and secondarily, increasing dividend income. |
| ING Partners, Inc. – ING Templeton Foreign Equity Portfolio | Directed Services LLC Subadviser: Templeton Investment Counsel, LLC | Seeks long-term capital growth. |
| ING Partners, Inc. – ING Thornburg Value Portfolio | Directed Services LLC Subadviser: Thornburg Investment Management (Thornburg) | Seeks capital appreciation. |
| ING Partners, Inc. – ING UBS U.S. Large Cap Equity Portfolio | Directed Services LLC Subadviser: UBS Global Asset Management (Americas) Inc. (UBS Global AM) | Seeks long-term growth of capital and future income. |
| ING Investors Trust - ING Van Kampen Capital Growth Portfolio | Directed Services LLC Subadviser: Van Kampen | Seeks long term capital appreciation. |
| ING Partners, Inc. – ING Van Kampen Comstock Portfolio | Directed Services LLC Subadviser: Van Kampen | Seeks capital growth and income. |
| ING Partners, Inc. – ING Van Kampen Equity and Income Portfolio | Directed Services LLC Subadviser: Van Kampen | Seeks total return, consisting of long-term capital appreciation and current income. |
| Lord Abbett Series Fund, Inc. – Mid-Cap Value Portfolio | Lord, Abbett & Co. LLC (Lord Abbett) | Seeks capital appreciation through investments, primarily in equity securities, which are believed to be undervalued in the marketplace. |
| Oppenheimer Variable Account Funds – Oppenheimer Main Street Small Cap Fund®/VA | OppenheimerFunds, Inc. | Seeks capital appreciation. |
| PIMCO Variable Insurance Trust - Real Return Portfolio | Pacific Investment Management Company LLC (PIMCO) | Seeks maximum real return, consistent with preservation of real capital and prudent investment management. |
| Pioneer Variable Contracts Trust - Pioneer High Yield VCT Portfolio | Pioneer Investment Management, Inc. | Seeks maximize total return through a combination of income and capital appreciation. |
| Wanger Advisors Trust - Wanger Select | Columbia Wanger Asset Management, L.P. | A <i>nondiversified</i> fund that seeks long-term growth of capital. |
| Wanger Advisors Trust - Wanger USA | Columbia Wanger Asset Management, L.P. | Seeks long-term growth of capital. |

APPENDIX VI CONDENSED FINANCIAL INFORMATION

Except for subaccounts which did not commence operations as of December 31, 2008, the following table gives (1) the accumulation unit value ("AUV") at the beginning of the period, (2) the AUV at the end of the period and (3) the total number of accumulation units outstanding at the end of the period for each subaccount of Variable Annuity Account C available under the contracts for the indicated periods. For those subaccounts that commenced operations during the period ended December 31, 2008, the "Value at beginning of period" shown is the value at first date of investment.

TABLE I

FOR CONTRACTS ISSUED AFTER MARCH 1994 WITH TOTAL SEPARATE ACCOUNT ANNUAL EXPENSES OF 1.25%*
(Selected data for accumulation units outstanding throughout each period)

*This table applies to all 1994 and 1992 internal rollover contracts issued on or after March 23, 1994 and all contracts not connected with an internal transfer (i.e., external rollovers or contracts established with at least a \$1,000 annual purchase payment) issued on or after March 29, 1994.

| | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> | <u>1999</u> |
|-----------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| AIM V.I. CAPITAL APPRECIATION FUND | | | | | | | | | | |
| (Funds were first received in this option during May 1999) | | | | | | | | | | |
| Value at beginning of period | \$11.51 | \$10.41 | \$9.92 | \$9.22 | \$8.76 | \$6.85 | \$9.168 | \$12.101 | \$13.753 | \$10.217 |
| Value at end of period | \$6.54 | \$11.51 | \$10.41 | \$9.92 | \$9.22 | \$8.76 | \$6.85 | \$9.168 | \$12.101 | \$13.753 |
| Number of accumulation units outstanding at end of period | 101,841 | 118,862 | 138,735 | 74,072 | 84,155 | 85,637 | 89,448 | 103,951 | 105,550 | 7,992 |
| AIM V.I. CORE EQUITY FUND | | | | | | | | | | |
| (Funds were first received in this option during May 1999) | | | | | | | | | | |
| Value at beginning of period | \$10.63 | \$9.96 | \$8.64 | \$8.31 | \$7.72 | \$6.28 | \$7.534 | \$9.887 | \$11.716 | \$9.627 |
| Value at end of period | \$7.33 | \$10.63 | \$9.96 | \$8.64 | \$8.31 | \$7.72 | \$6.28 | \$7.534 | \$9.887 | \$11.716 |
| Number of accumulation units outstanding at end of period | 96,278 | 120,761 | 142,529 | 111,339 | 143,502 | 177,652 | 209,051 | 251,216 | 219,944 | 53,572 |
| ALLIANCEBERNSTEIN GROWTH AND INCOME PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during November 2004) | | | | | | | | | | |
| Value at beginning of period | \$13.99 | \$13.48 | \$11.63 | \$11.23 | \$10.85 | | | | | |
| Value at end of period | \$8.20 | \$13.99 | \$13.48 | \$11.63 | \$11.23 | | | | | |
| Number of accumulation units outstanding at end of period | 20,173 | 21,490 | 28,042 | 15,586 | 4,425 | | | | | |
| CALVERT SOCIAL BALANCED PORTFOLIO (CVS) | | | | | | | | | | |
| Value at beginning of period | \$12.72 | \$12.53 | \$11.67 | \$11.18 | \$10.46 | \$8.88 | \$10.231 | \$11.133 | \$11.637 | \$10.50 |
| Value at end of period | \$8.63 | \$12.72 | \$12.53 | \$11.67 | \$11.18 | \$10.46 | \$8.88 | \$10.231 | \$11.133 | \$11.637 |
| Number of accumulation units outstanding at end of period | 63,182 | 78,954 | 67,654 | 72,315 | 66,552 | 53,829 | 41,036 | 36,379 | 23,977 | 29,860 |
| FIDELITY@ VIP CONTRAFUND@ PORTFOLIO | | | | | | | | | | |
| Value at beginning of period | \$33.19 | \$35.65 | \$32.31 | \$27.98 | \$24.53 | \$19.34 | \$21.598 | \$24.923 | \$27.024 | \$22.023 |
| Value at end of period | \$23.50 | \$33.19 | \$35.65 | \$32.31 | \$27.98 | \$24.53 | \$19.34 | \$21.598 | \$27.024 | \$27.024 |
| Number of accumulation units outstanding at end of period | 593,820 | 958,445 | 887,780 | 984,595 | 896,870 | 706,490 | 665,550 | 742,484 | 805,532 | 888,915 |
| FIDELITY@ VIP EQUITY-INCOME PORTFOLIO | | | | | | | | | | |
| Value at beginning of period | \$33.36 | \$33.28 | \$28.03 | \$26.81 | \$24.34 | \$18.91 | \$23.057 | \$24.567 | \$22.942 | \$21.848 |
| Value at end of period | \$18.89 | \$33.36 | \$33.28 | \$28.03 | \$26.81 | \$24.34 | \$18.91 | \$23.057 | \$24.567 | \$22.942 |
| Number of accumulation units outstanding at end of period | 309,038 | 445,258 | 543,429 | 721,289 | 944,029 | 880,788 | 919,343 | 1,042,820 | 946,481 | 1,171,916 |
| FIDELITY@ VIP GROWTH PORTFOLIO | | | | | | | | | | |
| Value at beginning of period | \$33.04 | \$26.36 | \$24.98 | \$23.90 | \$23.41 | \$17.84 | \$25.853 | \$31.791 | \$36.16 | \$26.641 |
| Value at end of period | \$17.24 | \$33.04 | \$26.36 | \$24.98 | \$23.90 | \$23.41 | \$17.84 | \$25.853 | \$31.791 | \$36.16 |
| Number of accumulation units outstanding at end of period | 369,712 | 446,283 | 556,961 | 756,575 | 1,100,526 | 1,157,472 | 1,200,977 | 1,454,622 | 1,500,686 | 1,477,316 |
| FIDELITY@ VIP OVERSEAS PORTFOLIO | | | | | | | | | | |
| Value at beginning of period | \$24.50 | \$21.15 | \$18.13 | \$15.42 | \$13.74 | \$9.71 | \$12.33 | \$15.838 | \$19.825 | \$14.074 |
| Value at end of period | \$13.60 | \$24.50 | \$21.15 | \$18.13 | \$15.42 | \$13.74 | \$9.71 | \$12.33 | \$15.838 | \$19.825 |
| Number of accumulation units outstanding at end of period | 95,292 | 115,366 | 113,293 | 112,162 | 148,159 | 138,072 | 115,530 | 137,442 | 146,480 | 164,209 |

Condensed Financial Information (continued)

| | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> | <u>1999</u> |
|------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| FRANKLIN SMALL CAP VALUE SECURITIES FUND | | | | | | | | | | |
| (Funds were first received in this option during September 2001) | | | | | | | | | | |
| Value at beginning of period | \$17.60 | \$18.25 | \$15.80 | \$14.71 | \$12.04 | \$9.22 | \$10.293 | \$8,071 | | |
| Value at end of period | \$11.64 | \$17.60 | \$18.25 | \$15.80 | \$14.71 | \$12.04 | \$9.22 | \$10,293 | | |
| Number of accumulation units outstanding at end of period | 112,832 | 158,588 | 169,779 | 195,469 | 144,474 | 53,543 | 31,988 | 1,354 | | |
| ING AMERICAN CENTURY LARGE COMPANY VALUE PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during June 2002) | | | | | | | | | | |
| Value at beginning of period | \$15.77 | \$12.66 | \$10.74 | \$10.74 | \$9.88 | \$7.62 | \$8.95 | | | |
| Value at end of period | \$7.62 | \$15.77 | \$12.66 | \$10.74 | \$10.74 | \$9.88 | \$7.62 | | | |
| Number of accumulation units outstanding at end of period | 31,866 | 33,571 | 46,391 | 49,767 | 45,543 | 21,517 | 11,753 | | | |
| ING AMERICAN CENTURY SMALL-MID CAP VALUE PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during May 2002) | | | | | | | | | | |
| Value at beginning of period | \$15.09 | \$15.74 | \$13.80 | \$12.96 | \$10.81 | \$8.08 | \$10.02 | | | |
| Value at end of period | \$10.94 | \$15.09 | \$15.74 | \$13.80 | \$12.96 | \$10.81 | \$8.08 | | | |
| Number of accumulation units outstanding at end of period | 20,234 | 28,857 | 43,778 | 57,475 | 67,909 | 46,787 | 19,927 | | | |
| ING BARON SMALL CAP GROWTH PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during May 2002) | | | | | | | | | | |
| Value at beginning of period | \$18.29 | \$17.46 | \$15.34 | \$14.47 | \$11.45 | \$8.69 | \$10.02 | | | |
| Value at end of period | \$10.61 | \$18.29 | \$17.46 | \$15.34 | \$14.47 | \$11.45 | \$8.69 | | | |
| Number of accumulation units outstanding at end of period | 109,538 | 147,604 | 153,320 | 174,248 | 94,897 | 38,746 | 10,876 | | | |
| ING BLACKROCK LARGE CAP GROWTH PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during April 2007) | | | | | | | | | | |
| Value at beginning of period | \$10.40 | \$10.68 | | | | | | | | |
| Value at end of period | \$6.27 | \$10.40 | | | | | | | | |
| Number of accumulation units outstanding at end of period | 249,177 | 337,107 | | | | | | | | |
| ING DAVIS NEW YORK VENTURE PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during June 2002) | | | | | | | | | | |
| Value at beginning of period | \$13.20 | \$12.83 | \$11.41 | \$11.12 | \$10.39 | \$7.48 | \$8.90 | | | |
| Value at end of period | \$7.92 | \$13.20 | \$12.83 | \$11.41 | \$11.12 | \$10.39 | \$7.48 | | | |
| Number of accumulation units outstanding at end of period | 20,118 | 27,513 | 32,851 | 40,218 | 47,082 | 26,126 | 6,358 | | | |
| ING GLOBAL REAL ESTATE PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during September 2008) | | | | | | | | | | |
| Value at beginning of period | \$9.76 | | | | | | | | | |
| Value at end of period | \$6.71 | | | | | | | | | |
| Number of accumulation units outstanding at end of period | 95,555 | | | | | | | | | |
| ING JPMORGAN MID CAP VALUE PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during May 2002) | | | | | | | | | | |
| Value at beginning of period | \$17.47 | \$17.29 | \$15.03 | \$14.02 | \$11.78 | \$9.17 | \$9.95 | | | |
| Value at end of period | \$11.56 | \$17.47 | \$17.29 | \$15.03 | \$14.02 | \$11.78 | \$9.17 | | | |
| Number of accumulation units outstanding at end of period | 126,246 | 164,644 | 180,209 | 190,612 | 103,005 | 21,349 | 12,061 | | | |
| ING JPMORGAN VALUE OPPORTUNITIES PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during November 2006) | | | | | | | | | | |
| Value at beginning of period | \$11.05 | \$11.29 | \$10.87 | | | | | | | |
| Value at end of period | \$6.62 | \$11.05 | \$11.29 | | | | | | | |
| Number of accumulation units outstanding at end of period | 3,331 | 5,178 | 2,151 | | | | | | | |
| ING JULIUS BAER FOREIGN PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during September 2004) | | | | | | | | | | |
| Value at beginning of period | \$20.27 | \$17.63 | \$13.82 | \$12.13 | \$10.29 | | | | | |
| Value at end of period | \$11.29 | \$20.27 | \$17.63 | \$12.13 | \$12.13 | | | | | |
| Number of accumulation units outstanding at end of period | 91,946 | 103,984 | 70,954 | 29,536 | 2,771 | | | | | |
| ING LEGG MASON PARTNERS AGGRESSIVE GROWTH PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during September 2004) | | | | | | | | | | |
| Value at beginning of period | \$10.79 | \$16.76 | \$15.38 | \$13.98 | \$12.90 | \$9.45 | \$14.795 | \$20,033 | \$28,481 | \$19,114 |
| Value at end of period | \$9.77 | \$10.79 | \$16.76 | \$15.38 | \$13.98 | \$12.90 | \$9.45 | \$14,795 | \$20,033 | \$28,481 |
| Number of accumulation units outstanding at end of period | 157,667 | 333,736 | 306,232 | 486,539 | 783,199 | 866,225 | 937,116 | 1,153,477 | 1,261,315 | 1,234,595 |

Condensed Financial Information (continued)

| | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> | <u>1999</u> |
|------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| ING LORD ABBETT AFFILIATED PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during July 2006) | | | | | | | | | | |
| Value at beginning of period | \$11.12 | \$10.79 | \$9.65 | | | | | | | |
| Value at end of period | \$6.99 | \$11.12 | \$10.79 | | | | | | | |
| | 474,937 | 643,299 | 2,037 | | | | | | | |
| Number of accumulation units outstanding at end of period | | | | | | | | | | |
| ING MARSICO GROWTH PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during April 2008) | | | | | | | | | | |
| Value at beginning of period | \$10.23 | | | | | | | | | |
| Value at end of period | \$6.56 | | | | | | | | | |
| | 33,498 | | | | | | | | | |
| Number of accumulation units outstanding at end of period | | | | | | | | | | |
| ING MFS TOTAL RETURN PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during September 2004) | | | | | | | | | | |
| Value at beginning of period | \$12.68 | \$12.34 | \$11.16 | \$10.99 | \$10.30 | | | | | |
| Value at end of period | \$9.72 | \$12.68 | \$12.34 | \$11.16 | \$10.99 | | | | | |
| | 56,958 | 76,569 | 69,297 | 76,601 | 6,618 | | | | | |
| Number of accumulation units outstanding at end of period | | | | | | | | | | |
| ING OPPENHEIMER GLOBAL PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during March 2005) | | | | | | | | | | |
| Value at beginning of period | \$14.86 | \$13.57 | \$11.65 | \$9.98 | | | | | | |
| Value at end of period | \$8.42 | \$14.86 | \$13.57 | \$11.65 | | | | | | |
| | 1,246,857 | 1,617,476 | 2,108,050 | 2,493,225 | | | | | | |
| Number of accumulation units outstanding at end of period | | | | | | | | | | |
| ING OPPENHEIMER STRATEGIC INCOME PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during April 2005) | | | | | | | | | | |
| Value at beginning of period | \$11.51 | \$10.72 | \$10.01 | \$9.88 | | | | | | |
| Value at end of period | \$9.60 | \$11.51 | \$10.72 | \$10.01 | | | | | | |
| | 230,527 | 300,459 | 313,406 | 415,236 | | | | | | |
| Number of accumulation units outstanding at end of period | | | | | | | | | | |
| ING OPPORTUNISTIC LARGE CAP GROWTH PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during July 2007) | | | | | | | | | | |
| Value at beginning of period | \$18.23 | \$15.66 | \$15.45 | \$14.30 | \$13.51 | \$10.49 | \$14.953 | \$20,761 | \$23,875 | \$17,912 |
| Value at end of period | \$10.07 | \$18.23 | \$15.66 | \$15.45 | \$14.30 | \$13.51 | \$10.49 | \$14,953 | \$20,761 | \$23,875 |
| | 127,650 | 179,488 | 201,089 | 240,766 | 317,434 | 371,564 | 410,106 | 546,125 | 644,933 | 516,658 |
| Number of accumulation units outstanding at end of period | | | | | | | | | | |
| ING OPPORTUNISTIC LARGE CAP VALUE PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during May 2002) | | | | | | | | | | |
| Value at beginning of period | \$22.17 | \$21.80 | \$19.02 | \$18.00 | \$16.54 | \$13.44 | \$18,388 | \$20,602 | \$18,93 | \$16,03 |
| Value at end of period | \$14.10 | \$22.17 | \$21.80 | \$19.02 | \$18.00 | \$16.54 | \$13.44 | \$18,388 | \$20,602 | \$18,93 |
| | 65,382 | 95,842 | 120,655 | 148,973 | 190,638 | 216,751 | 272,286 | 305,477 | 157,727 | 118,476 |
| Number of accumulation units outstanding at end of period | | | | | | | | | | |
| ING PIMCO TOTAL RETURN PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during July 2007) | | | | | | | | | | |
| Value at beginning of period | \$12.69 | \$11.75 | \$11.44 | \$11.35 | \$11.01 | \$10.72 | \$10.00 | | | |
| Value at end of period | \$12.51 | \$12.69 | \$11.75 | \$11.44 | \$11.35 | \$11.01 | \$10.72 | | | |
| | 159,393 | 141,547 | 144,934 | 165,758 | 166,330 | 147,674 | 116,420 | | | |
| Number of accumulation units outstanding at end of period | | | | | | | | | | |
| ING PIONEER EQUITY INCOME PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during July 2007) | | | | | | | | | | |
| Value at beginning of period | \$9.11 | \$9.34 | | | | | | | | |
| Value at end of period | \$6.29 | \$9.11 | | | | | | | | |
| | 208,365 | 386,352 | | | | | | | | |
| Number of accumulation units outstanding at end of period | | | | | | | | | | |
| ING PIONEER FUND PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during August 2006) | | | | | | | | | | |
| Value at beginning of period | \$11.23 | \$10.79 | \$9.50 | | | | | | | |
| Value at end of period | \$7.26 | \$11.23 | \$10.79 | | | | | | | |
| | 53,096 | 63,763 | 8,820 | | | | | | | |
| Number of accumulation units outstanding at end of period | | | | | | | | | | |
| ING PIONEER HIGH YIELD PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during June 2006) | | | | | | | | | | |
| Value at beginning of period | \$11.08 | \$10.58 | \$9.92 | | | | | | | |
| Value at end of period | \$7.73 | \$11.08 | \$10.58 | | | | | | | |
| | 13,367 | 7,554 | 2,336 | | | | | | | |
| Number of accumulation units outstanding at end of period | | | | | | | | | | |

Condensed Financial Information (continued)

| | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> | <u>1999</u> |
|------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| ING PIONEER MID CAP VALUE PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during June 2006) | | | | | | | | | | |
| Value at beginning of period | \$11.07 | \$10.60 | \$9.51 | | | | | | | |
| Value at end of period | \$7.33 | \$11.07 | \$10.60 | | | | | | | |
| Number of accumulation units outstanding at end of period | 130,542 | 190,454 | 3,279 | | | | | | | |
| ING SOLUTION 2015 PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during May 2005) | | | | | | | | | | |
| Value at beginning of period | \$12.07 | \$11.68 | \$10.68 | \$10.10 | | | | | | |
| Value at end of period | \$8.72 | \$12.07 | \$11.68 | \$10.68 | | | | | | |
| Number of accumulation units outstanding at end of period | 101,928 | 119,444 | 63,729 | 19,643 | | | | | | |
| ING SOLUTION 2025 PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during June 2005) | | | | | | | | | | |
| Value at beginning of period | \$12.53 | \$12.13 | \$10.91 | \$10.39 | | | | | | |
| Value at end of period | \$8.19 | \$12.53 | \$12.13 | \$10.91 | | | | | | |
| Number of accumulation units outstanding at end of period | 94,699 | 96,780 | 46,779 | 12,017 | | | | | | |
| ING SOLUTION 2035 PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during July 2005) | | | | | | | | | | |
| Value at beginning of period | \$12.97 | \$12.47 | \$11.07 | \$10.47 | | | | | | |
| Value at end of period | \$8.07 | \$12.97 | \$12.47 | \$11.07 | | | | | | |
| Number of accumulation units outstanding at end of period | 61,690 | 48,485 | 5,620 | 82 | | | | | | |
| ING SOLUTION 2045 PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during July 2005) | | | | | | | | | | |
| Value at beginning of period | \$13.38 | \$12.81 | \$11.27 | \$10.60 | | | | | | |
| Value at end of period | \$7.95 | \$13.38 | \$12.81 | \$11.27 | | | | | | |
| Number of accumulation units outstanding at end of period | 31,958 | 32,509 | 17,139 | 826 | | | | | | |
| ING SOLUTION INCOME PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during July 2005) | | | | | | | | | | |
| Value at beginning of period | \$11.35 | \$10.92 | \$10.30 | \$10.17 | | | | | | |
| Value at end of period | \$9.34 | \$11.35 | \$10.92 | \$10.30 | | | | | | |
| Number of accumulation units outstanding at end of period | 83,879 | 82,717 | 41,195 | 4,501 | | | | | | |
| ING T. ROWE PRICE DIVERSIFIED MID CAP GROWTH PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during March 2005) | | | | | | | | | | |
| Value at beginning of period | \$13.80 | \$11.95 | \$11.09 | \$9.88 | | | | | | |
| Value at end of period | \$7.52 | \$13.80 | \$11.95 | \$11.09 | | | | | | |
| Number of accumulation units outstanding at end of period | 604,355 | 750,960 | 950,249 | 1,285,787 | | | | | | |
| ING T. ROWE PRICE EQUITY INCOME PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during September 2004) | | | | | | | | | | |
| Value at beginning of period | \$13.93 | \$13.69 | \$11.64 | \$11.34 | \$10.38 | | | | | |
| Value at end of period | \$8.85 | \$13.93 | \$13.69 | \$11.64 | \$11.34 | | | | | |
| Number of accumulation units outstanding at end of period | 61,259 | 67,678 | 55,980 | 68,864 | 2,213 | | | | | |
| ING T. ROWE PRICE GROWTH EQUITY PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during April 2008) | | | | | | | | | | |
| Value at beginning of period | \$23.96 | \$26.84 | \$23.99 | \$22.88 | \$21.06 | \$16.28 | \$21.496 | \$24.245 | \$24.557 | \$20.328 |
| Value at end of period | \$16.63 | \$23.96 | \$26.84 | \$23.99 | \$22.88 | \$21.06 | \$16.28 | \$21.496 | \$24.245 | \$24.557 |
| Number of accumulation units outstanding at end of period | 193,057 | 304,258 | 288,299 | 432,956 | 526,773 | 503,621 | 492,198 | 612,057 | 636,137 | 668,583 |
| ING TEMPLETON FOREIGN EQUITY PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during April 2008) | | | | | | | | | | |
| Value at beginning of period | \$10.20 | | | | | | | | | |
| Value at end of period | \$6.28 | | | | | | | | | |
| Number of accumulation units outstanding at end of period | 229,208 | | | | | | | | | |
| ING THORNBURG VALUE PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during April 2008) | | | | | | | | | | |
| Value at beginning of period | \$12.72 | \$12.01 | \$10.41 | \$10.38 | \$9.31 | \$7.36 | \$10.67 | \$14.359 | \$15.421 | \$10.495 |
| Value at end of period | \$7.57 | \$12.72 | \$12.01 | \$10.41 | \$10.38 | \$9.31 | \$7.36 | \$10.67 | \$14.359 | \$15.421 |
| Number of accumulation units outstanding at end of period | 105,253 | 83,230 | 138,137 | 170,120 | 216,682 | 247,143 | 289,373 | 367,527 | 318,660 | 77,143 |

Condensed Financial Information (continued)

| | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> | <u>1999</u> |
|-----------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| ING UBS U.S. LARGE CAP EQUITY PORTFOLIO | | | | | | | | | | |
| Value at beginning of period | \$12.06 | \$19.17 | \$16.95 | \$15.69 | \$13.85 | \$11.22 | \$15.129 | \$19.365 | \$20.527 | \$16.758 |
| Value at end of period | \$11.40 | \$12.06 | \$19.17 | \$16.95 | \$15.69 | \$13.85 | \$11.22 | \$15.129 | \$19.365 | \$20.527 |
| Number of accumulation units outstanding at end of period | 186,232 | 363,228 | 250,025 | 325,499 | 435,085 | 484,939 | 643,895 | 744,284 | 850,004 | 930,521 |
| ING VAN KAMPEN CAPITAL GROWTH PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during April 2008) | | | | | | | | | | |
| Value at beginning of period | \$10.40 | | | | | | | | | |
| Value at end of period | \$5.51 | | | | | | | | | |
| Number of accumulation units outstanding at end of period | 5,389 | | | | | | | | | |
| ING VAN KAMPEN COMSTOCK PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during May 2002) | | | | | | | | | | |
| Value at beginning of period | \$13.84 | \$14.34 | \$12.53 | \$12.26 | \$10.64 | \$8.31 | \$10.16 | | | |
| Value at end of period | \$8.68 | \$13.84 | \$14.34 | \$12.53 | \$12.26 | \$10.64 | \$8.31 | | | |
| Number of accumulation units outstanding at end of period | 194,660 | 252,597 | 309,788 | 311,675 | 199,434 | 63,214 | 15,405 | | | |
| ING VAN KAMPEN EQUITY AND INCOME PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during March 2005) | | | | | | | | | | |
| Value at beginning of period | \$12.16 | \$11.89 | \$10.69 | \$9.90 | | | | | | |
| Value at end of period | \$9.20 | \$12.16 | \$11.89 | \$10.69 | | | | | | |
| Number of accumulation units outstanding at end of period | 786,937 | 1,094,386 | 1,328,864 | 1,614,520 | | | | | | |
| ING VP BALANCED PORTFOLIO, INC. | | | | | | | | | | |
| Value at beginning of period | \$20.75 | \$28.45 | \$26.19 | \$25.44 | \$23.54 | \$20.06 | \$22.642 | \$23.936 | \$24.372 | \$21.723 |
| Value at end of period | \$21.06 | \$20.75 | \$28.45 | \$26.19 | \$25.44 | \$23.54 | \$20.06 | \$22.642 | \$23.936 | \$24.372 |
| Number of accumulation units outstanding at end of period | 1,052,479 | 1,978,099 | 1,638,938 | 2,044,814 | 2,436,696 | 2,611,812 | 3,122,041 | 4,053,042 | 4,540,991 | 5,427,321 |
| ING VP BLACKROCK GLOBAL SCIENCE AND TECHNOLOGY PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during May 2000) | | | | | | | | | | |
| Value at beginning of period | \$4.95 | \$4.21 | \$3.98 | \$3.60 | \$3.70 | \$2.57 | \$4.436 | \$5.831 | \$9.999 | |
| Value at end of period | \$2.94 | \$4.95 | \$4.21 | \$3.98 | \$3.60 | \$3.70 | \$2.57 | \$4.436 | \$5.831 | |
| Number of accumulation units outstanding at end of period | 164,378 | 168,158 | 198,802 | 242,451 | 353,626 | 340,052 | 287,488 | 394,229 | 276,443 | |
| ING VP GROWTH AND INCOME PORTFOLIO | | | | | | | | | | |
| Value at beginning of period | \$17.20 | \$24.52 | \$21.74 | \$20.36 | \$19.02 | \$15.27 | \$20.618 | \$25.588 | \$29.10 | \$25.094 |
| Value at end of period | \$16.02 | \$17.20 | \$24.52 | \$21.74 | \$20.36 | \$19.02 | \$15.27 | \$20.618 | \$25.588 | \$29.10 |
| Number of accumulation units outstanding at end of period | 3,507,351 | 6,387,560 | 5,131,358 | 6,315,277 | 7,775,013 | 8,911,586 | 10,681,544 | 13,049,579 | 15,052,266 | 17,496,241 |
| ING VP INDEX PLUS INTERNATIONAL EQUITY PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during November 2007) | | | | | | | | | | |
| Value at beginning of period | \$10.81 | \$10.98 | | | | | | | | |
| Value at end of period | \$5.31 | \$10.81 | | | | | | | | |
| Number of accumulation units outstanding at end of period | 104,329 | 109,701 | | | | | | | | |
| ING VP INDEX PLUS LARGE CAP PORTFOLIO | | | | | | | | | | |
| Value at beginning of period | \$22.65 | \$21.84 | \$19.30 | \$18.54 | \$16.98 | \$13.63 | \$17.587 | \$20.618 | \$23.044 | \$18.772 |
| Value at end of period | \$14.04 | \$22.65 | \$21.84 | \$19.30 | \$18.54 | \$16.98 | \$13.63 | \$17.587 | \$20.618 | \$23.044 |
| Number of accumulation units outstanding at end of period | 464,534 | 734,724 | 887,824 | 1,034,446 | 1,224,654 | 1,129,974 | 1,103,634 | 1,322,389 | 1,239,414 | 1,067,590 |
| ING VP INDEX PLUS MIDCAP PORTFOLIO | | | | | | | | | | |
| Value at beginning of period | \$23.23 | \$22.30 | \$20.63 | \$18.79 | \$16.32 | \$12.48 | \$14.374 | \$14.751 | \$12.455 | \$10.891 |
| Value at end of period | \$14.32 | \$23.23 | \$22.30 | \$20.63 | \$18.79 | \$16.32 | \$12.48 | \$14.374 | \$14.751 | \$12.455 |
| Number of accumulation units outstanding at end of period | 282,101 | 351,703 | 419,127 | 473,559 | 526,003 | 435,317 | 386,466 | 284,426 | 185,615 | 51,901 |
| ING VP INDEX PLUS SMALL CAP PORTFOLIO | | | | | | | | | | |
| Value at beginning of period | \$16.26 | \$17.56 | \$15.62 | \$14.70 | \$12.19 | \$9.07 | \$10.579 | \$10.461 | \$9.645 | \$8.815 |
| Value at end of period | \$10.67 | \$16.26 | \$17.56 | \$15.62 | \$14.70 | \$12.19 | \$9.07 | \$10.579 | \$10.461 | \$9.645 |
| Number of accumulation units outstanding at end of period | 160,870 | 225,813 | 272,259 | 313,973 | 310,166 | 219,909 | 189,054 | 134,002 | 91,047 | 73,715 |
| ING VP INTERMEDIATE BOND PORTFOLIO | | | | | | | | | | |
| Value at beginning of period | \$17.41 | \$19.63 | \$19.10 | \$18.75 | \$18.10 | \$17.24 | \$16.115 | \$15.007 | \$13.859 | \$14.137 |
| Value at end of period | \$18.57 | \$17.41 | \$19.63 | \$18.75 | \$18.10 | \$17.24 | \$16.115 | \$15.007 | \$13.859 | \$14.137 |
| Number of accumulation units outstanding at end of period | 703,103 | 1,041,449 | 993,778 | 1,189,674 | 1,303,623 | 1,341,945 | 1,668,772 | 1,882,061 | 1,685,438 | 2,085,755 |

Condensed Financial Information (continued)

| | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> | <u>1999</u> |
|------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| ING VP INTERNATIONAL VALUE PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during July 2001) | | | | | | | | | | |
| Value at beginning of period | \$18.36 | \$16.39 | \$12.82 | \$11.87 | \$10.23 | \$7.97 | \$9,542 | \$9,844 | | |
| Value at end of period | \$10.38 | \$18.36 | \$16.39 | \$12.82 | \$11.87 | \$10.23 | \$7.97 | \$9,542 | | |
| Number of accumulation units outstanding at end of period | 201,857 | 274,248 | 281,413 | 281,628 | 183,336 | 63,812 | 19,369 | 23,434 | | |
| ING VP MIDCAP OPPORTUNITIES PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during August 2001) | | | | | | | | | | |
| Value at beginning of period | \$14.81 | \$11.93 | \$11.21 | \$10.28 | \$9.33 | \$6.92 | \$9,446 | \$10,042 | | |
| Value at end of period | \$9.12 | \$14.81 | \$11.93 | \$11.21 | \$10.28 | \$9.33 | \$6.92 | \$9,446 | | |
| Number of accumulation units outstanding at end of period | 38,226 | 36,925 | 35,830 | 39,085 | 41,748 | 27,409 | 14,659 | 2,083 | | |
| ING VP MONEY MARKET PORTFOLIO | | | | | | | | | | |
| Value at beginning of period | \$13.60 | \$14.65 | \$14.14 | \$13.90 | \$13.93 | \$13.98 | \$13,929 | \$13,571 | \$12,917 | \$12,447 |
| Value at end of period | \$15.42 | \$13.60 | \$14.65 | \$14.14 | \$13.90 | \$13.93 | \$13,98 | \$13,929 | \$13,571 | \$12,917 |
| Number of accumulation units outstanding at end of period | 819,904 | 949,865 | 834,248 | 895,094 | 1,060,820 | 1,330,998 | 1,919,745 | 2,629,444 | 2,471,828 | 2,636,397 |
| ING VP SMALLCAP OPPORTUNITIES PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during August 2001) | | | | | | | | | | |
| Value at beginning of period | \$9.66 | \$8.89 | \$8.00 | \$7.42 | \$6.82 | \$4.98 | \$8,945 | \$10,123 | | |
| Value at end of period | \$6.25 | \$9.66 | \$8.89 | \$8.00 | \$7.42 | \$6.82 | \$4.98 | \$8,945 | | |
| Number of accumulation units outstanding at end of period | 33,604 | 43,773 | 49,367 | 61,038 | 55,720 | 55,321 | 11,826 | 2,593 | | |
| ING VP SMALL COMPANY PORTFOLIO | | | | | | | | | | |
| Value at beginning of period | \$29.13 | \$27.86 | \$24.15 | \$22.17 | \$19.63 | \$14.46 | \$19,07 | \$18,568 | \$17,617 | \$13,633 |
| Value at end of period | \$19.83 | \$29.13 | \$27.86 | \$24.15 | \$22.17 | \$19.63 | \$14.46 | \$19,07 | \$18,568 | \$17,617 |
| Number of accumulation units outstanding at end of period | 127,455 | 184,024 | 226,734 | 257,388 | 316,371 | 340,140 | 336,830 | 366,998 | 295,893 | 183,701 |
| ING VP STRATEGIC ALLOCATION CONSERVATIVE PORTFOLIO | | | | | | | | | | |
| Value at beginning of period | \$19.58 | \$18.74 | \$17.51 | \$17.08 | \$16.01 | \$14.27 | \$15,104 | \$15,667 | \$15,135 | \$14,31 |
| Value at end of period | \$14.78 | \$19.58 | \$18.74 | \$17.51 | \$17.08 | \$16.01 | \$14.27 | \$15,104 | \$15,667 | \$15,135 |
| Number of accumulation units outstanding at end of period | 41,204 | 68,736 | 73,885 | 113,846 | 169,794 | 210,476 | 231,298 | 336,932 | 359,253 | 412,346 |
| ING VP STRATEGIC ALLOCATION GROWTH PORTFOLIO | | | | | | | | | | |
| Value at beginning of period | \$19.02 | \$21.45 | \$19.19 | \$18.29 | \$16.54 | \$13.47 | \$15,811 | \$18.10 | \$18.45 | \$16,337 |
| Value at end of period | \$14.05 | \$19.02 | \$21.45 | \$19.19 | \$18.29 | \$16.54 | \$13.47 | \$15,811 | \$18.10 | \$18.45 |
| Number of accumulation units outstanding at end of period | 78,270 | 131,378 | 166,555 | 212,377 | 255,898 | 268,308 | 281,512 | 366,303 | 423,053 | 473,603 |
| ING VP STRATEGIC ALLOCATION MODERATE PORTFOLIO | | | | | | | | | | |
| Value at beginning of period | \$20.82 | \$19.99 | \$18.21 | \$17.61 | \$16.17 | \$13.71 | \$15,345 | \$16,707 | \$16,847 | \$15,478 |
| Value at end of period | \$14.30 | \$20.82 | \$19.99 | \$18.21 | \$17.61 | \$16.17 | \$13.71 | \$15,345 | \$16,707 | \$16,847 |
| Number of accumulation units outstanding at end of period | 67,904 | 117,612 | 145,255 | 186,601 | 202,176 | 216,639 | 220,388 | 266,564 | 314,495 | 372,046 |
| LORD ABBETT SERIES FUND - MID-CAP VALUE PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during July 2001) | | | | | | | | | | |
| Value at beginning of period | \$14.78 | \$14.88 | \$13.43 | \$12.56 | \$10.25 | \$8.32 | \$9,341 | \$8,988 | | |
| Value at end of period | \$8.85 | \$14.78 | \$14.88 | \$13.43 | \$12.56 | \$10.25 | \$8.32 | \$9,341 | | |
| Number of accumulation units outstanding at end of period | 214,957 | 288,949 | 342,104 | 425,764 | 353,610 | 133,264 | 56,099 | 11,047 | | |
| OPPENHEIMER MAIN STREET SMALL CAP FUND@N/A | | | | | | | | | | |
| (Funds were first received in this option during September 2004) | | | | | | | | | | |
| Value at beginning of period | \$14.80 | \$15.17 | \$13.36 | \$12.30 | \$10.58 | | | | | |
| Value at end of period | \$9.09 | \$14.80 | \$15.17 | \$13.36 | \$12.30 | | | | | |
| Number of accumulation units outstanding at end of period | 16,323 | 17,687 | 17,539 | 6,651 | 369 | | | | | |
| PIMCO VIT REAL RETURN PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during September 2004) | | | | | | | | | | |
| Value at beginning of period | \$11.43 | \$10.48 | \$10.52 | \$10.43 | \$10.13 | | | | | |
| Value at end of period | \$10.50 | \$11.43 | \$10.48 | \$10.52 | \$10.43 | | | | | |
| Number of accumulation units outstanding at end of period | 152,363 | 120,178 | 37,103 | 35,563 | 2,212 | | | | | |

Condensed Financial Information (continued)

PIONEER HIGH YIELD VCT PORTFOLIO (Funds were first received in this option during September 2004)

Value at beginning of period
Value at end of period
Number of accumulation units outstanding at end of period

WANGER SELECT

(Funds were first received in this option during December 2004)

Value at beginning of period

Value at end of period

Number of accumulation units outstanding at end of period

WANGER U.S. SMALLER COMPANIES

(Funds were first received in this option during December 2004)

Value at beginning of period

Value at end of period

Number of accumulation units outstanding at end of period

| | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> | <u>1999</u> |
|-----------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Value at beginning of period | \$12.00 | \$11.54 | \$10.77 | \$10.70 | \$10.25 | | | | | |
| Value at end of period | \$7.70 | \$12.00 | \$11.54 | \$10.77 | \$10.70 | | | | | |
| Number of accumulation units outstanding at end of period | 30,427 | 36,546 | 30,232 | 14,488 | 53 | | | | | |
| Value at beginning of period | \$16.51 | \$15.28 | \$12.93 | \$11.85 | \$11.55 | | | | | |
| Value at end of period | \$8.30 | \$16.51 | \$15.28 | \$12.93 | \$11.85 | | | | | |
| Number of accumulation units outstanding at end of period | 43,854 | 72,592 | 37,415 | 8,290 | 405 | | | | | |
| Value at beginning of period | \$14.10 | \$14.19 | \$13.32 | \$12.12 | \$11.83 | | | | | |
| Value at end of period | \$8.80 | \$14.10 | \$14.19 | \$13.32 | \$12.12 | | | | | |
| Number of accumulation units outstanding at end of period | 20,389 | 26,978 | 22,573 | 11,121 | 48 | | | | | |

TABLE II

FOR CONTRACTS WITH TOTAL SEPARATE ACCOUNT ANNUAL EXPENSES OF 1.15%
(Selected data for accumulation units outstanding throughout each period)

AIM V.I. CAPITAL APPRECIATION FUND

(Funds were first received in this option during August 1999)

Value at beginning of period

Value at end of period

Number of accumulation units outstanding at end of period

AIM V.I. CORE EQUITY FUND

(Funds were first received in this option during January 2000)

Value at beginning of period

Value at end of period

Number of accumulation units outstanding at end of period

ALLIANCEBERNSTEIN GROWTH AND INCOME PORTFOLIO

(Funds were first received in this option during December 2005)

Value at beginning of period

Value at end of period

Number of accumulation units outstanding at end of period

CALVERT SOCIAL BALANCED PORTFOLIO (CVS)

(Funds were first received in this option during July 2002)

Value at beginning of period

Value at end of period

Number of accumulation units outstanding at end of period

FIDELITY® VIP CONTRAFUND® PORTFOLIO

Value at beginning of period

Value at end of period

Number of accumulation units outstanding at end of period

FIDELITY® VIP EQUITY-INCOME PORTFOLIO

Value at beginning of period

Value at end of period

Number of accumulation units outstanding at end of period

| | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> | <u>1999</u> |
|-----------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Value at beginning of period | \$11.61 | \$10.49 | \$9.98 | \$9.28 | \$8.80 | \$6.87 | \$12.871 | \$12.121 | \$13.762 | \$10.465 |
| Value at end of period | \$6.60 | \$11.61 | \$10.49 | \$9.98 | \$9.28 | \$8.80 | \$6.87 | \$12.871 | \$12.121 | \$13.762 |
| Number of accumulation units outstanding at end of period | 22,383 | 15,218 | 20,384 | 13,083 | 5,909 | 5,849 | 6,526 | 0 | 79 | 79 |
| Value at beginning of period | \$10.72 | \$10.03 | \$8.70 | \$8.35 | \$7.75 | \$6.30 | \$7.554 | \$9.903 | \$10.853 | |
| Value at end of period | \$7.40 | \$10.72 | \$10.03 | \$8.70 | \$8.35 | \$7.75 | \$6.30 | \$7.554 | \$9.903 | |
| Number of accumulation units outstanding at end of period | 33,779 | 26,340 | 43,720 | 21,654 | 1,297 | 1,241 | 20,312 | 19,314 | 19,412 | |
| Value at beginning of period | \$14.04 | \$13.51 | \$11.65 | \$11.76 | | | | | | |
| Value at end of period | \$8.24 | \$14.04 | \$13.51 | \$11.65 | | | | | | |
| Number of accumulation units outstanding at end of period | 24,219 | 23,811 | 12,542 | 6,723 | | | | | | |
| Value at beginning of period | \$12.84 | \$12.64 | \$11.76 | \$11.26 | \$10.52 | \$8.92 | \$9.05 | | | |
| Value at end of period | \$8.72 | \$12.84 | \$12.64 | \$11.76 | \$11.26 | \$10.52 | \$8.92 | | | |
| Number of accumulation units outstanding at end of period | 5,011 | 3,808 | 4,537 | 1,313 | 1,106 | 4,603 | 628 | | | |
| Value at beginning of period | \$41.92 | \$36.06 | \$32.65 | \$28.25 | \$24.74 | \$19.48 | \$21.741 | \$25.063 | \$27.15 | \$22.103 |
| Value at end of period | \$23.82 | \$41.92 | \$36.06 | \$32.65 | \$28.25 | \$24.74 | \$19.48 | \$21.741 | \$25.063 | \$27.15 |
| Number of accumulation units outstanding at end of period | 319,440 | 342,474 | 332,495 | 219,401 | 94,686 | 74,793 | 68,982 | 5,754 | 16,464 | 21,611 |
| Value at beginning of period | \$33.82 | \$33.70 | \$28.36 | \$27.10 | \$24.58 | \$19.07 | \$23.233 | \$24.729 | \$23.071 | \$21.948 |
| Value at end of period | \$19.17 | \$33.82 | \$33.70 | \$28.36 | \$27.10 | \$24.58 | \$19.07 | \$23.233 | \$24.729 | \$23.071 |
| Number of accumulation units outstanding at end of period | 275,725 | 304,489 | 321,621 | 270,096 | 115,109 | 127,574 | 138,866 | 75,694 | 84,691 | 94,759 |

Condensed Financial Information (continued)

| | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> | <u>1999</u> |
|------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| FIDELITY® VIP GROWTH PORTFOLIO | | | | | | | | | | |
| Value at beginning of period | \$33.50 | \$26.69 | \$25.27 | \$24.16 | \$23.64 | \$18.00 | \$26.05 | \$32.002 | \$36.363 | \$26.764 |
| Value at end of period | \$17.49 | \$33.50 | \$26.69 | \$25.27 | \$24.16 | \$23.64 | \$18.00 | \$26.05 | \$32.002 | \$36.363 |
| Number of accumulation units outstanding at end of period | 319,697 | 325,931 | 346,036 | 298,855 | 128,760 | 98,863 | 92,563 | 59,994 | 66,459 | 90,675 |
| FIDELITY® VIP OVERSEAS PORTFOLIO | | | | | | | | | | |
| Value at beginning of period | \$24.83 | \$21.42 | \$18.35 | \$15.59 | \$13.88 | \$9.79 | \$12.424 | \$15.943 | \$19.936 | \$14.14 |
| Value at end of period | \$13.80 | \$24.83 | \$21.42 | \$18.35 | \$15.59 | \$13.88 | \$9.79 | \$12.424 | \$15.943 | \$19.936 |
| Number of accumulation units outstanding at end of period | 75,548 | 76,116 | 77,872 | 65,956 | 21,471 | 12,760 | 7,754 | 8,057 | 9,199 | 8,089 |
| FRANKLIN SMALL CAP VALUE SECURITIES FUND | | | | | | | | | | |
| (Funds were first received in this option during July 2002) | | | | | | | | | | |
| Value at beginning of period | \$17.71 | \$18.35 | \$15.87 | \$14.76 | \$12.06 | \$9.24 | \$10.07 | | | |
| Value at end of period | \$11.73 | \$17.71 | \$18.35 | \$15.87 | \$14.76 | \$12.06 | \$9.24 | | | |
| Number of accumulation units outstanding at end of period | 50,836 | 60,348 | 65,044 | 57,876 | 34,216 | 3,702 | 2,339 | | | |
| ING AMERICAN CENTURY LARGE COMPANY VALUE PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during June 2003) | | | | | | | | | | |
| Value at beginning of period | \$12.64 | \$13.05 | \$11.06 | \$11.05 | \$10.16 | \$9.05 | | | | |
| Value at end of period | \$7.87 | \$12.64 | \$13.05 | \$11.06 | \$11.05 | \$10.16 | | | | |
| Number of accumulation units outstanding at end of period | 18,399 | 17,235 | 20,533 | 17,992 | 10,592 | 4,439 | | | | |
| ING AMERICAN CENTURY SMALL-MID CAP VALUE PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during August 2002) | | | | | | | | | | |
| Value at beginning of period | \$15.18 | \$15.81 | \$13.86 | \$12.99 | \$10.83 | \$8.09 | \$8.27 | | | |
| Value at end of period | \$11.02 | \$15.18 | \$15.81 | \$13.86 | \$12.99 | \$10.83 | \$8.09 | | | |
| Number of accumulation units outstanding at end of period | 18,367 | 18,245 | 25,086 | 26,684 | 20,705 | 15,801 | 2,645 | | | |
| ING BARON SMALL CAP GROWTH PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during August 2002) | | | | | | | | | | |
| Value at beginning of period | \$18.40 | \$17.54 | \$15.39 | \$14.51 | \$11.47 | \$8.69 | \$9.14 | | | |
| Value at end of period | \$10.68 | \$18.40 | \$17.54 | \$15.39 | \$14.51 | \$11.47 | \$8.69 | | | |
| Number of accumulation units outstanding at end of period | 62,552 | 62,614 | 58,046 | 43,930 | 13,196 | 12,248 | 2,737 | | | |
| ING BLACKROCK GLOBAL SCIENCE AND TECHNOLOGY PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during September 2001) | | | | | | | | | | |
| Value at beginning of period | \$4.99 | \$4.24 | \$4.00 | \$3.62 | \$3.71 | \$2.58 | \$4.443 | \$3.266 | | |
| Value at end of period | \$2.97 | \$4.99 | \$4.24 | \$4.00 | \$3.62 | \$3.71 | \$2.58 | \$4.443 | | |
| Number of accumulation units outstanding at end of period | 84,404 | 71,019 | 57,634 | 32,498 | 32,395 | 79,810 | 80,342 | 2,277 | | |
| ING BLACKROCK LARGE CAP GROWTH PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during April 2007) | | | | | | | | | | |
| Value at beginning of period | \$10.41 | \$10.67 | | | | | | | | |
| Value at end of period | \$6.28 | \$10.41 | | | | | | | | |
| Number of accumulation units outstanding at end of period | 161,951 | 138,732 | | | | | | | | |
| ING DAVIS NEW YORK VENTURE PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | | | |
| Value at beginning of period | \$13.60 | \$13.21 | \$11.74 | \$11.43 | \$11.19 | | | | | |
| Value at end of period | \$8.17 | \$13.60 | \$13.21 | \$11.74 | \$11.43 | | | | | |
| Number of accumulation units outstanding at end of period | 13,189 | 11,418 | 12,322 | 12,420 | 13,556 | | | | | |
| ING GLOBAL REAL ESTATE PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during September 2008) | | | | | | | | | | |
| Value at beginning of period | \$9.75 | | | | | | | | | |
| Value at end of period | \$6.71 | | | | | | | | | |
| Number of accumulation units outstanding at end of period | 26,156 | | | | | | | | | |
| ING JPMORGAN MID CAP VALUE PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during August 2002) | | | | | | | | | | |
| Value at beginning of period | \$17.57 | \$17.37 | \$15.08 | \$14.06 | \$11.79 | \$9.17 | \$9.28 | | | |
| Value at end of period | \$11.63 | \$17.57 | \$15.08 | \$14.06 | \$11.79 | \$9.17 | \$9.28 | | | |
| Number of accumulation units outstanding at end of period | 36,419 | 46,166 | 34,397 | 32,166 | 9,838 | 2,612 | 2,696 | | | |

Condensed Financial Information (continued)

| | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> | <u>1999</u> |
|-----------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| ING JPMORGAN VALUE OPPORTUNITIES PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during October 2006) | | | | | | | | | | |
| Value at beginning of period | \$11.07 | \$11.30 | \$10.70 | | | | | | | |
| Value at end of period | \$6.64 | \$11.07 | \$11.30 | | | | | | | |
| Number of accumulation units outstanding at end of period | 831 | 1,305 | 119 | | | | | | | |
| ING JULIUS BAER FOREIGN PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during October 2005) | | | | | | | | | | |
| Value at beginning of period | | | | \$12.59 | | | | | | |
| Value at end of period | \$20.34 | \$17.67 | \$13.84 | \$13.84 | | | | | | |
| Number of accumulation units outstanding at end of period | \$11.34 | \$20.34 | \$17.67 | \$13.84 | | | | | | |
| | 42,846 | 52,590 | 18,512 | 7,240 | | | | | | |
| ING LEGG MASON PARTNERS AGGRESSIVE GROWTH PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during March 2007) | | | | | | | | | | |
| Value at beginning of period | \$16.51 | \$16.98 | \$15.57 | \$14.14 | \$13.03 | \$9.54 | \$14.919 | \$20.179 | \$28.661 | \$19.216 |
| Value at end of period | \$9.93 | \$16.51 | \$16.98 | \$15.57 | \$14.14 | \$13.03 | \$9.54 | \$14.919 | \$20.179 | \$28.661 |
| Number of accumulation units outstanding at end of period | 306,369 | 322,390 | 352,120 | 235,457 | 77,555 | 62,500 | 72,100 | 32,390 | 36,463 | 48,709 |
| ING LORD ABBETT AFFILIATED PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during March 2007) | | | | | | | | | | |
| Value at beginning of period | \$11.14 | \$10.79 | | | | | | | | |
| Value at end of period | \$7.00 | \$11.14 | | | | | | | | |
| Number of accumulation units outstanding at end of period | 125,482 | 190,928 | | | | | | | | |
| ING MARSICO GROWTH PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during April 2008) | | | | | | | | | | |
| Value at beginning of period | \$10.23 | | | | | | | | | |
| Value at end of period | \$6.57 | | | | | | | | | |
| Number of accumulation units outstanding at end of period | 5,821 | | | | | | | | | |
| ING MFS TOTAL RETURN PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during February 2005) | | | | | | | | | | |
| Value at beginning of period | \$12.72 | \$12.37 | \$11.18 | \$10.95 | | | | | | |
| Value at end of period | \$9.76 | \$12.72 | \$12.37 | \$11.18 | | | | | | |
| Number of accumulation units outstanding at end of period | 11,645 | 18,744 | 6,005 | 3,245 | | | | | | |
| ING OPPENHEIMER GLOBAL PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during April 2005) | | | | | | | | | | |
| Value at beginning of period | \$14.33 | \$13.60 | \$11.66 | \$10.01 | | | | | | |
| Value at end of period | \$8.45 | \$14.33 | \$13.60 | \$11.66 | | | | | | |
| Number of accumulation units outstanding at end of period | 799,139 | 763,499 | 699,965 | 464,388 | | | | | | |
| ING OPPENHEIMER STRATEGIC INCOME PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during April 2005) | | | | | | | | | | |
| Value at beginning of period | \$11.54 | \$10.74 | \$10.02 | \$9.88 | | | | | | |
| Value at end of period | \$9.64 | \$11.54 | \$10.74 | \$10.02 | | | | | | |
| Number of accumulation units outstanding at end of period | 113,577 | 122,959 | 111,708 | 79,260 | | | | | | |
| ING OPPORTUNISTIC LARGE CAP GROWTH PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during April 2005) | | | | | | | | | | |
| Value at beginning of period | \$18.43 | \$15.82 | \$15.58 | \$14.41 | \$13.60 | \$10.55 | \$15.024 | \$20.839 | \$23.94 | \$17.943 |
| Value at end of period | \$10.19 | \$18.43 | \$15.82 | \$15.58 | \$14.41 | \$13.60 | \$10.55 | \$15.024 | \$20.839 | \$23.94 |
| Number of accumulation units outstanding at end of period | 65,080 | 46,265 | 49,338 | 40,089 | 31,784 | 29,689 | 50,524 | 6,452 | 23,305 | 30,865 |
| ING OPPORTUNISTIC LARGE CAP VALUE PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during February 2003) | | | | | | | | | | |
| Value at beginning of period | \$22.41 | \$22.01 | \$19.19 | \$18.14 | \$16.66 | \$13.52 | \$18.476 | \$20.679 | \$18.982 | \$16.754 |
| Value at end of period | \$14.26 | \$22.41 | \$22.01 | \$19.19 | \$18.14 | \$13.52 | \$18.476 | \$20.679 | \$18.982 | \$16.754 |
| Number of accumulation units outstanding at end of period | 45,023 | 40,042 | 63,051 | 56,526 | 41,013 | 48,721 | 65,922 | 5,522 | 2,242 | 2,242 |
| ING PIMCO TOTAL RETURN PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during February 2003) | | | | | | | | | | |
| Value at beginning of period | \$12.77 | \$11.80 | \$11.48 | \$11.38 | \$11.03 | \$10.75 | | | | |
| Value at end of period | \$12.60 | \$12.77 | \$11.80 | \$11.48 | \$11.38 | \$11.03 | | | | |
| Number of accumulation units outstanding at end of period | 33,225 | 39,216 | 33,118 | 23,676 | 1,309 | 224 | | | | |

Condensed Financial Information (continued)

| | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> | <u>1999</u> |
|-----------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| ING PIONEER EQUITY INCOME PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during July 2007) | | | | | | | | | | |
| Value at beginning of period | \$9.13 | \$9.35 | | | | | | | | |
| Value at end of period | \$6.31 | \$9.13 | | | | | | | | |
| Number of accumulation units outstanding at end of period | 123,193 | 152,878 | | | | | | | | |
| ING PIONEER FUND PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during August 2006) | | | | | | | | | | |
| Value at beginning of period | \$11.25 | \$10.80 | \$9.96 | | | | | | | |
| Value at end of period | \$7.28 | \$11.25 | \$10.80 | | | | | | | |
| Number of accumulation units outstanding at end of period | 42,407 | 48,143 | 3,209 | | | | | | | |
| ING PIONEER HIGH YIELD PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during August 2006) | | | | | | | | | | |
| Value at beginning of period | \$11.10 | \$10.58 | \$10.06 | | | | | | | |
| Value at end of period | \$7.75 | \$11.10 | \$10.58 | | | | | | | |
| Number of accumulation units outstanding at end of period | 2,310 | 1,693 | 394 | | | | | | | |
| ING PIONEER MID CAP VALUE PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during February 2007) | | | | | | | | | | |
| Value at beginning of period | \$11.08 | \$11.00 | | | | | | | | |
| Value at end of period | \$7.35 | \$11.08 | | | | | | | | |
| Number of accumulation units outstanding at end of period | 67,590 | 64,313 | | | | | | | | |
| ING SOLUTION 2015 PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during January 2006) | | | | | | | | | | |
| Value at beginning of period | \$12.10 | \$11.70 | \$10.76 | | | | | | | |
| Value at end of period | \$8.75 | \$12.10 | \$11.70 | | | | | | | |
| Number of accumulation units outstanding at end of period | 46,279 | 68,764 | 49,511 | | | | | | | |
| ING SOLUTION 2025 PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during August 2006) | | | | | | | | | | |
| Value at beginning of period | \$12.57 | \$12.15 | \$11.29 | | | | | | | |
| Value at end of period | \$8.22 | \$12.57 | \$12.15 | | | | | | | |
| Number of accumulation units outstanding at end of period | 38,679 | 23,038 | 4,687 | | | | | | | |
| ING SOLUTION 2035 PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during November 2005) | | | | | | | | | | |
| Value at beginning of period | \$13.01 | \$12.49 | \$11.07 | \$11.00 | | | | | | |
| Value at end of period | \$8.10 | \$13.01 | \$12.49 | \$11.07 | | | | | | |
| Number of accumulation units outstanding at end of period | 14,093 | 9,628 | 2,767 | 1,293 | | | | | | |
| ING SOLUTION 2045 PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during July 2006) | | | | | | | | | | |
| Value at beginning of period | \$13.42 | \$12.83 | \$11.32 | | | | | | | |
| Value at end of period | \$7.98 | \$13.42 | \$12.83 | | | | | | | |
| Number of accumulation units outstanding at end of period | 5,144 | 9,264 | 6,682 | | | | | | | |
| ING SOLUTION INCOME PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during June 2005) | | | | | | | | | | |
| Value at beginning of period | \$11.38 | \$10.94 | \$10.31 | \$10.18 | | | | | | |
| Value at end of period | \$9.38 | \$11.38 | \$10.94 | \$10.31 | | | | | | |
| Number of accumulation units outstanding at end of period | 16,265 | 12,055 | 7,039 | 19,638 | | | | | | |
| ING T. ROWE PRICE DIVERSIFIED MID CAP GROWTH PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during April 2005) | | | | | | | | | | |
| Value at beginning of period | \$13.42 | \$11.98 | \$11.10 | \$9.93 | | | | | | |
| Value at end of period | \$7.54 | \$13.42 | \$11.98 | \$11.10 | | | | | | |
| Number of accumulation units outstanding at end of period | 449,142 | 408,576 | 393,557 | 203,778 | | | | | | |

Condensed Financial Information (continued)

| | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> | <u>1999</u> |
|-----------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| ING T. ROWE PRICE EQUITY INCOME PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during May 2005) | | | | | | | | | | |
| Value at beginning of period | \$13.98 | \$13.72 | \$11.65 | \$11.28 | | | | | | |
| Value at end of period | \$8.88 | \$13.98 | \$13.72 | \$11.65 | | | | | | |
| Number of accumulation units outstanding at end of period | 15,633 | 21,012 | 4,982 | 1,483 | | | | | | |
| ING T. ROWE PRICE GROWTH EQUITY PORTFOLIO | | | | | | | | | | |
| Value at beginning of period | \$29.50 | \$27.15 | \$24.24 | \$23.10 | \$21.24 | \$16.41 | \$21.637 | \$24.38 | \$24.669 | \$20.40 |
| Value at end of period | \$16.85 | \$29.50 | \$27.15 | \$24.24 | \$23.10 | \$21.24 | \$16.41 | \$21.637 | \$24.38 | \$24.669 |
| Number of accumulation units outstanding at end of period | 152,373 | 166,327 | 174,506 | 117,847 | 45,232 | 41,743 | 33,398 | 24,854 | 30,566 | 43,662 |
| ING TEMPLETON FOREIGN EQUITY PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during April 2008) | | | | | | | | | | |
| Value at beginning of period | \$10.20 | | | | | | | | | |
| Value at end of period | \$6.29 | | | | | | | | | |
| Number of accumulation units outstanding at end of period | 309,317 | | | | | | | | | |
| ING THORNBURG VALUE PORTFOLIO | | | | | | | | | | |
| Value at beginning of period | \$12.84 | \$12.11 | \$10.49 | \$10.45 | \$9.36 | \$7.39 | \$10.709 | \$14.398 | \$15.447 | \$10.502 |
| Value at end of period | \$7.65 | \$12.84 | \$12.11 | \$10.49 | \$10.45 | \$9.36 | \$7.39 | \$10.709 | \$14.398 | \$15.447 |
| Number of accumulation units outstanding at end of period | 35,736 | 41,525 | 38,176 | 23,592 | 8,989 | 9,839 | 40,474 | 5,863 | 11,758 | 12,266 |
| ING UBS U.S. LARGE CAP EQUITY PORTFOLIO | | | | | | | | | | |
| Value at beginning of period | \$19.43 | \$19.43 | \$17.16 | \$15.87 | \$13.99 | \$11.32 | \$15.252 | \$19.503 | \$20.653 | \$16.844 |
| Value at end of period | \$11.57 | \$19.43 | \$19.43 | \$17.16 | \$15.87 | \$13.99 | \$11.32 | \$15.252 | \$19.503 | \$20.653 |
| Number of accumulation units outstanding at end of period | 74,807 | 78,455 | 91,911 | 71,579 | 17,360 | 4,872 | 32,279 | 10,200 | 10,200 | 12,985 |
| ING VAN KAMPEN CAPITAL GROWTH PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during October 2008) | | | | | | | | | | |
| Value at beginning of period | \$7.66 | | | | | | | | | |
| Value at end of period | \$5.51 | | | | | | | | | |
| Number of accumulation units outstanding at end of period | 3,882 | | | | | | | | | |
| ING VAN KAMPEN COMSTOCK PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during February 2003) | | | | | | | | | | |
| Value at beginning of period | \$13.92 | \$14.41 | \$12.58 | \$12.30 | \$10.66 | \$7.99 | | | | |
| Value at end of period | \$8.74 | \$13.92 | \$14.41 | \$12.58 | \$12.30 | \$10.66 | | | | |
| Number of accumulation units outstanding at end of period | 58,062 | 71,171 | 75,478 | 71,745 | 33,720 | 14,877 | | | | |
| ING VAN KAMPEN EQUITY AND INCOME PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during April 2005) | | | | | | | | | | |
| Value at beginning of period | \$12.20 | \$11.91 | \$10.70 | \$9.98 | | | | | | |
| Value at end of period | \$9.24 | \$12.20 | \$11.91 | \$10.70 | | | | | | |
| Number of accumulation units outstanding at end of period | 431,867 | 500,010 | 476,389 | 334,754 | | | | | | |
| ING VP BALANCED PORTFOLIO, INC. | | | | | | | | | | |
| Value at beginning of period | \$30.08 | \$28.83 | \$26.51 | \$25.73 | \$23.78 | \$20.24 | \$22.827 | \$24.108 | \$24.523 | \$21.836 |
| Value at end of period | \$21.38 | \$30.08 | \$28.83 | \$26.51 | \$25.73 | \$23.78 | \$20.24 | \$22.827 | \$24.108 | \$24.523 |
| Number of accumulation units outstanding at end of period | 345,778 | 342,599 | 344,017 | 253,339 | 178,409 | 181,399 | 202,644 | 96,619 | 98,020 | 144,540 |
| ING VP GROWTH AND INCOME PORTFOLIO | | | | | | | | | | |
| Value at beginning of period | \$26.38 | \$24.84 | \$22.01 | \$20.58 | \$19.21 | \$15.41 | \$20.788 | \$25.772 | \$29.28 | \$25.225 |
| Value at end of period | \$16.26 | \$26.38 | \$24.84 | \$22.01 | \$20.58 | \$19.21 | \$15.41 | \$20.788 | \$25.772 | \$29.28 |
| Number of accumulation units outstanding at end of period | 1,005,253 | 1,062,860 | 1,034,648 | 816,288 | 393,754 | 443,340 | 538,742 | 331,651 | 481,222 | 488,810 |
| ING VP INDEX PLUS INTERNATIONAL EQUITY PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during November 2007) | | | | | | | | | | |
| Value at beginning of period | \$9.55 | \$9.71 | | | | | | | | |
| Value at end of period | \$5.31 | \$9.55 | | | | | | | | |
| Number of accumulation units outstanding at end of period | 21,210 | 24,282 | | | | | | | | |

Condensed Financial Information (continued)

| | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> | <u>1999</u> |
|-----------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| ING VP INDEX PLUS LARGE CAP PORTFOLIO | | | | | | | | | | |
| Value at beginning of period | \$22.91 | \$22.06 | \$19.48 | \$18.70 | \$17.10 | \$13.72 | \$17.681 | \$20.707 | \$23.12 | \$18.815 |
| Value at end of period | \$14.22 | \$22.91 | \$22.06 | \$19.48 | \$18.70 | \$17.10 | \$13.72 | \$17.681 | \$20.707 | \$23.12 |
| Number of accumulation units outstanding at end of period | 222,560 | 241,622 | 278,461 | 277,467 | 130,301 | 134,888 | 160,223 | 27,451 | 66,254 | 56,950 |
| ING VP INDEX PLUS MIDCAP PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during March 2000) | | | | | | | | | | |
| Value at beginning of period | \$23.45 | \$22.49 | \$20.79 | \$18.92 | \$16.42 | \$12.54 | \$14.427 | \$14.791 | \$13.477 | |
| Value at end of period | \$14.48 | \$23.45 | \$22.49 | \$20.79 | \$18.92 | \$16.42 | \$12.54 | \$14.427 | \$14.791 | |
| Number of accumulation units outstanding at end of period | 84,062 | 110,910 | 126,099 | 120,973 | 67,227 | 44,162 | 20,252 | 8,546 | 4,514 | |
| ING VP INDEX PLUS SMALL CAP PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during December 1999) | | | | | | | | | | |
| Value at beginning of period | \$16.42 | \$17.71 | \$15.74 | \$14.80 | \$12.26 | \$9.11 | \$10.618 | \$10.489 | \$9.661 | \$9.414 |
| Value at end of period | \$10.78 | \$16.42 | \$17.71 | \$15.74 | \$14.80 | \$12.26 | \$9.11 | \$10.618 | \$10.489 | \$9.661 |
| Number of accumulation units outstanding at end of period | 44,586 | 51,422 | 71,415 | 74,921 | 62,756 | 39,667 | 19,957 | 16,834 | 1,442 | 1,062 |
| ING VP INTERMEDIATE BOND PORTFOLIO | | | | | | | | | | |
| Value at beginning of period | \$20.84 | \$19.89 | \$19.33 | \$18.96 | \$18.29 | \$17.40 | \$16.248 | \$15.115 | \$13.945 | \$14.211 |
| Value at end of period | \$18.86 | \$20.84 | \$19.89 | \$19.33 | \$18.96 | \$17.40 | \$16.248 | \$15.115 | \$13.945 | \$14.211 |
| Number of accumulation units outstanding at end of period | 271,720 | 273,498 | 255,126 | 250,506 | 154,323 | 163,117 | 218,588 | 82,489 | 62,380 | 71,392 |
| ING VP INTERNATIONAL VALUE PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during February 2003) | | | | | | | | | | |
| Value at beginning of period | \$18.48 | \$16.48 | \$12.88 | \$11.91 | \$10.26 | \$7.48 | | | | |
| Value at end of period | \$10.46 | \$18.48 | \$16.48 | \$12.88 | \$11.91 | \$10.26 | | | | |
| Number of accumulation units outstanding at end of period | 73,545 | 85,957 | 81,053 | 50,624 | 24,053 | 6,971 | | | | |
| ING VP MIDCAP OPPORTUNITIES PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during October 2003) | | | | | | | | | | |
| Value at beginning of period | \$14.91 | \$11.99 | \$11.26 | \$10.32 | \$9.36 | \$9.09 | | | | |
| Value at end of period | \$9.19 | \$14.91 | \$11.99 | \$11.26 | \$10.32 | \$9.36 | | | | |
| Number of accumulation units outstanding at end of period | 7,609 | 4,256 | 11,537 | 9,883 | 10,821 | 10,820 | | | | |
| ING VP MONEY MARKET PORTFOLIO | | | | | | | | | | |
| Value at beginning of period | \$15.43 | \$14.84 | \$14.32 | \$14.06 | \$14.07 | \$14.11 | \$14.044 | \$13.669 | \$12.997 | \$12.512 |
| Value at end of period | \$15.66 | \$15.43 | \$14.84 | \$14.32 | \$14.06 | \$14.07 | \$14.044 | \$13.669 | \$12.997 | \$12.512 |
| Number of accumulation units outstanding at end of period | 395,971 | 355,261 | 255,511 | 187,355 | 122,426 | 131,947 | 459,877 | 190,821 | 258,757 | 348,708 |
| ING VP SMALL CAP OPPORTUNITIES PORTFOLIO | | | | | | | | | | |
| (Funds were first received in this option during January 2005) | | | | | | | | | | |
| Value at beginning of period | \$9.72 | \$8.94 | \$8.03 | \$7.08 | | | | | | |
| Value at end of period | \$6.30 | \$9.72 | \$8.94 | \$8.03 | | | | | | |
| Number of accumulation units outstanding at end of period | 24,725 | 26,057 | 13,357 | 8,853 | | | | | | |
| ING VP SMALL COMPANY PORTFOLIO | | | | | | | | | | |
| Value at beginning of period | \$29.44 | \$28.13 | \$24.36 | \$22.35 | \$19.76 | \$14.54 | \$19.16 | \$18.638 | \$17.665 | \$13.657 |
| Value at end of period | \$20.07 | \$29.44 | \$28.13 | \$24.36 | \$22.35 | \$19.76 | \$14.54 | \$18.638 | \$17.665 | \$13.657 |
| Number of accumulation units outstanding at end of period | 61,879 | 42,763 | 64,560 | 48,654 | 39,059 | 46,260 | 52,478 | 2,885 | 22,613 | 20,668 |
| ING VP STRATEGIC ALLOCATION CONSERVATIVE PORTFOLIO | | | | | | | | | | |
| Value at beginning of period | \$19.83 | \$18.96 | \$17.70 | \$17.24 | \$16.15 | \$14.38 | \$15.202 | \$15.753 | \$15.203 | \$14.36 |
| Value at end of period | \$14.98 | \$19.83 | \$18.96 | \$17.70 | \$17.24 | \$16.15 | \$14.38 | \$15.202 | \$15.753 | \$15.203 |
| Number of accumulation units outstanding at end of period | 65,112 | 74,172 | 52,255 | 35,156 | 25,650 | 33,847 | 48,487 | 15,761 | 17,675 | 43,422 |
| ING VP STRATEGIC ALLOCATION GROWTH PORTFOLIO | | | | | | | | | | |
| Value at beginning of period | \$22.53 | \$21.70 | \$19.39 | \$18.47 | \$16.68 | \$13.57 | \$15.914 | \$18.20 | \$18.533 | \$16.395 |
| Value at end of period | \$14.24 | \$22.53 | \$21.70 | \$19.39 | \$18.47 | \$16.68 | \$13.57 | \$15.914 | \$18.20 | \$18.533 |
| Number of accumulation units outstanding at end of period | 113,613 | 108,059 | 75,153 | 47,397 | 19,820 | 30,633 | 54,453 | 8,989 | 12,362 | 11,214 |
| ING VP STRATEGIC ALLOCATION MODERATE PORTFOLIO | | | | | | | | | | |
| Value at beginning of period | \$21.09 | \$20.22 | \$18.40 | \$17.78 | \$16.31 | \$13.81 | \$15.445 | \$16.799 | \$16.923 | \$15.532 |
| Value at end of period | \$14.49 | \$21.09 | \$20.22 | \$18.40 | \$17.78 | \$16.31 | \$15.445 | \$16.799 | \$16.923 | \$15.532 |
| Number of accumulation units outstanding at end of period | 70,920 | 61,955 | 46,989 | 22,238 | 10,878 | 10,610 | 18,977 | 18,902 | 18,918 | 39,125 |

Condensed Financial Information (continued)

| | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> | <u>1999</u> |
|----------------------------------------------------------------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| LORD ABBETT SERIES FUND - MID-CAP VALUE PORTFOLIO (Funds were first received in this option during January 2002) | | | | | | | | | | |
| Value at beginning of period | \$14.88 | \$14.96 | \$13.49 | \$12.60 | \$10.28 | \$8.33 | \$8.97 | | | |
| Value at end of period | \$8.92 | \$14.88 | \$14.96 | \$13.49 | \$12.60 | \$10.28 | \$8.33 | | | |
| Number of accumulation units outstanding at end of period | 65,316 | 84,896 | 133,150 | 109,823 | 68,329 | 41,846 | 63,699 | | | |
| OPPENHEIMER MAIN STREET SMALL CAP FUND@/A (Funds were first received in this option during January 2005) | | | | | | | | | | |
| Value at beginning of period | \$14.85 | \$15.21 | \$13.37 | \$11.69 | | | | | | |
| Value at end of period | \$9.13 | \$14.85 | \$15.21 | \$13.37 | | | | | | |
| Number of accumulation units outstanding at end of period | 2,431 | 2,462 | 3,403 | 592 | | | | | | |
| PIMCO VIT REAL RETURN PORTFOLIO (Funds were first received in this option during February 2005) | | | | | | | | | | |
| Value at beginning of period | \$11.47 | \$10.50 | \$10.53 | \$10.51 | | | | | | |
| Value at end of period | \$10.54 | \$11.47 | \$10.50 | \$10.53 | | | | | | |
| Number of accumulation units outstanding at end of period | 37,301 | 17,197 | 12,782 | 5,572 | | | | | | |
| PIONEER HIGH YIELD VCT PORTFOLIO (Funds were first received in this option during February 2005) | | | | | | | | | | |
| Value at beginning of period | \$12.11 | \$11.57 | \$10.79 | \$10.74 | | | | | | |
| Value at end of period | \$7.73 | \$12.11 | \$11.57 | \$10.79 | | | | | | |
| Number of accumulation units outstanding at end of period | 15,535 | 20,503 | 14,529 | 7,733 | | | | | | |
| WANGER SELECT (Funds were first received in this option during August 2005) | | | | | | | | | | |
| Value at beginning of period | \$16.56 | \$15.32 | \$12.94 | \$12.20 | | | | | | |
| Value at end of period | \$8.34 | \$16.56 | \$15.32 | \$12.94 | | | | | | |
| Number of accumulation units outstanding at end of period | 31,462 | 36,670 | 6,209 | 2,664 | | | | | | |
| WANGER U.S. SMALLER COMPANIES (Funds were first received in this option during July 2005) | | | | | | | | | | |
| Value at beginning of period | \$14.82 | \$14.22 | \$13.34 | \$12.85 | | | | | | |
| Value at end of period | \$8.83 | \$14.82 | \$14.22 | \$13.34 | | | | | | |
| Number of accumulation units outstanding at end of period | 3,092 | 3,492 | 3,776 | 2,189 | | | | | | |

TABLE III
FOR CERTAIN CONTRACTS WITH TOTAL SEPARATE ACCOUNT ANNUAL EXPENSES OF 1.25%
(Selected data for accumulation units outstanding throughout each period)

| | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|-------------------------------------------------------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| AIM V.I. CAPITAL APPRECIATION FUND (Funds were first received in this option during December 2003) | | | | | | |
| Value at beginning of period | \$13.48 | \$12.18 | \$11.61 | \$10.80 | \$10.25 | \$10.26 |
| Value at end of period | \$7.65 | \$13.48 | \$12.18 | \$11.61 | \$10.80 | \$10.25 |
| Number of accumulation units outstanding at end of period | 1,533 | 2,119 | 2,362 | 327 | 828 | 1,939 |
| AIM V.I. CORE EQUITY FUND (Funds were first received in this option during December 2003) | | | | | | |
| Value at beginning of period | \$14.28 | \$13.38 | \$11.61 | \$11.16 | \$10.37 | \$10.36 |
| Value at end of period | \$9.85 | \$14.28 | \$13.38 | \$11.61 | \$11.16 | \$10.37 |
| Number of accumulation units outstanding at end of period | 856 | 921 | 1,737 | 835 | 3,019 | 4,157 |
| CALVERT SOCIAL BALANCED PORTFOLIO (CVS) (Funds were first received in this option during December 2003) | | | | | | |
| Value at beginning of period | \$12.41 | \$12.23 | \$11.39 | \$10.91 | \$10.21 | \$10.20 |
| Value at end of period | \$8.42 | \$12.41 | \$12.23 | \$11.39 | \$10.91 | \$10.21 |
| Number of accumulation units outstanding at end of period | 490 | 490 | 498 | 1,374 | 1,364 | 662 |

Condensed Financial Information (continued)

| | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|-----------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| FIDELITY® VIP CONTRAFUND® PORTFOLIO | | | | | | |
| (Funds were first received in this option during December 2003) | | | | | | |
| Value at beginning of period | \$17.47 | \$15.04 | \$13.63 | \$11.80 | \$10.35 | \$10.35 |
| Value at end of period | \$9.92 | \$17.47 | \$15.04 | \$13.63 | \$11.80 | \$10.35 |
| Number of accumulation units outstanding at end of period | 28,662 | 35,909 | 43,238 | 46,284 | 46,416 | 44,105 |
| FIDELITY® VIP EQUITY-INCOME PORTFOLIO | | | | | | |
| (Funds were first received in this option during December 2003) | | | | | | |
| Value at beginning of period | \$14.39 | \$14.35 | \$12.09 | \$11.56 | \$10.50 | \$10.47 |
| Value at end of period | \$8.15 | \$14.39 | \$14.35 | \$12.09 | \$11.56 | \$10.50 |
| Number of accumulation units outstanding at end of period | 22,882 | 26,556 | 29,566 | 31,838 | 37,709 | 35,849 |
| FIDELITY® VIP GROWTH PORTFOLIO | | | | | | |
| (Funds were first received in this option during December 2003) | | | | | | |
| Value at beginning of period | \$14.58 | \$11.63 | \$11.02 | \$10.55 | \$10.33 | \$10.33 |
| Value at end of period | \$7.61 | \$14.58 | \$11.63 | \$11.02 | \$10.55 | \$10.33 |
| Number of accumulation units outstanding at end of period | 26,650 | 26,193 | 30,332 | 43,859 | 53,573 | 54,251 |
| FIDELITY® VIP OVERSEAS PORTFOLIO | | | | | | |
| (Funds were first received in this option during December 2003) | | | | | | |
| Value at beginning of period | \$18.76 | \$16.20 | \$13.89 | \$11.81 | \$10.53 | \$10.50 |
| Value at end of period | \$10.41 | \$18.76 | \$16.20 | \$13.89 | \$11.81 | \$10.53 |
| Number of accumulation units outstanding at end of period | 2,668 | 3,014 | 3,478 | 3,976 | 2,876 | 3,023 |
| FRANKLIN SMALL CAP VALUE SECURITIES FUND | | | | | | |
| (Funds were first received in this option during December 2003) | | | | | | |
| Value at beginning of period | \$15.14 | \$15.70 | \$13.59 | \$12.65 | \$10.35 | \$10.45 |
| Value at end of period | \$10.01 | \$15.14 | \$15.70 | \$13.59 | \$12.65 | \$10.35 |
| Number of accumulation units outstanding at end of period | 1,839 | 2,685 | 3,415 | 4,501 | 2,782 | 1,106 |
| ING AMERICAN CENTURY LARGE COMPANY VALUE PORTFOLIO | | | | | | |
| (Funds were first received in this option during December 2003) | | | | | | |
| Value at beginning of period | | | | | \$10.42 | \$10.39 |
| Value at end of period | | | | | \$10.71 | \$10.41 |
| Number of accumulation units outstanding at end of period | | | | | 0 | 1,728 |
| ING AMERICAN CENTURY SMALL-MID CAP VALUE PORTFOLIO | | | | | | |
| (Funds were first received in this option during August 2004) | | | | | | |
| Value at beginning of period | \$14.31 | \$14.92 | \$13.09 | \$12.29 | \$10.65 | |
| Value at end of period | \$10.38 | \$14.31 | \$14.92 | \$13.09 | \$12.29 | |
| Number of accumulation units outstanding at end of period | 222 | 584 | 766 | 766 | 682 | |
| ING BARON SMALL CAP GROWTH PORTFOLIO | | | | | | |
| (Funds were first received in this option during December 2003) | | | | | | |
| Value at beginning of period | \$16.35 | \$15.60 | \$13.71 | \$12.93 | \$10.23 | \$10.28 |
| Value at end of period | \$9.48 | \$16.35 | \$15.60 | \$13.71 | \$12.93 | \$10.23 |
| Number of accumulation units outstanding at end of period | 416 | 654 | 948 | 742 | 1,146 | 717 |
| ING BLACKROCK GLOBAL SCIENCE AND TECHNOLOGY PORTFOLIO | | | | | | |
| (Funds were first received in this option during December 2003) | | | | | | |
| Value at beginning of period | \$13.74 | \$11.69 | \$11.04 | \$10.00 | \$10.26 | \$10.29 |
| Value at end of period | \$8.17 | \$13.74 | \$11.69 | \$11.04 | \$10.00 | \$10.26 |
| Number of accumulation units outstanding at end of period | 787 | 1,394 | 1,525 | 2,476 | 2,563 | 8,038 |
| ING BLACKROCK LARGE CAP GROWTH PORTFOLIO | | | | | | |
| (Funds were first received in this option during April 2007) | | | | | | |
| Value at beginning of period | \$10.40 | \$10.67 | | | | |
| Value at end of period | \$6.27 | \$10.40 | | | | |
| Number of accumulation units outstanding at end of period | 16,969 | 19,759 | | | | |

Condensed Financial Information (continued)

| | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| ING GLOBAL REAL ESTATE PORTFOLIO | | | | | | |
| (Funds were first received in this option during September 2008) | | | | | | |
| Value at beginning of period | \$9.76 | | | | | |
| Value at end of period | \$6.71 | | | | | |
| Number of accumulation units outstanding at end of period | 2,320 | | | | | |
| ING JPMORGAN MID CAP VALUE PORTFOLIO | | | | | | |
| (Funds were first received in this option during December 2003) | | | | | | |
| Value at beginning of period | \$15.20 | \$15.04 | \$13.07 | \$12.20 | \$10.24 | \$10.27 |
| Value at end of period | \$10.05 | \$15.20 | \$15.04 | \$13.07 | \$12.20 | \$10.24 |
| Number of accumulation units outstanding at end of period | 1,691 | 1,803 | 1,574 | 1,670 | 2,098 | 70 |
| ING JULIUS BAER FOREIGN PORTFOLIO | | | | | | |
| (Funds were first received in this option during July 2005) | | | | | | |
| Value at beginning of period | \$20.27 | \$17.63 | \$13.82 | \$12.09 | | |
| Value at end of period | \$11.29 | \$20.27 | \$17.63 | \$13.82 | | |
| Number of accumulation units outstanding at end of period | 1,984 | 2,442 | 5,249 | 214 | | |
| ING LEGG MASON PARTNERS AGGRESSIVE GROWTH PORTFOLIO | | | | | | |
| (Funds were first received in this option during December 2003) | | | | | | |
| Value at beginning of period | \$13.28 | \$13.66 | \$12.54 | \$11.40 | \$10.52 | \$10.52 |
| Value at end of period | \$7.97 | \$13.28 | \$13.66 | \$12.54 | \$11.40 | \$10.52 |
| Number of accumulation units outstanding at end of period | 9,752 | 10,591 | 13,021 | 19,240 | 27,508 | 40,066 |
| ING LORD ABBETT AFFILIATED PORTFOLIO | | | | | | |
| (Funds were first received in this option during July 2007) | | | | | | |
| Value at beginning of period | \$11.12 | \$10.97 | | | | |
| Value at end of period | \$6.99 | \$11.12 | | | | |
| Number of accumulation units outstanding at end of period | 2,481 | 7,273 | | | | |
| ING MARSICO GROWTH PORTFOLIO | | | | | | |
| (Funds were first received in this option during April 2008) | | | | | | |
| Value at beginning of period | \$10.23 | | | | | |
| Value at end of period | \$6.56 | | | | | |
| Number of accumulation units outstanding at end of period | 334 | | | | | |
| ING MFS TOTAL RETURN PORTFOLIO | | | | | | |
| (Funds were first received in this option during July 2005) | | | | | | |
| Value at beginning of period | \$12.68 | \$12.34 | \$11.16 | \$11.14 | | |
| Value at end of period | \$9.72 | \$12.68 | \$12.34 | \$11.16 | | |
| Number of accumulation units outstanding at end of period | 1,165 | 1,789 | 2,235 | 2,595 | | |
| ING OPPENHEIMER GLOBAL PORTFOLIO | | | | | | |
| (Funds were first received in this option during April 2005) | | | | | | |
| Value at beginning of period | \$14.29 | \$13.57 | \$11.65 | \$10.01 | | |
| Value at end of period | \$8.42 | \$14.29 | \$13.57 | \$11.65 | | |
| Number of accumulation units outstanding at end of period | 37,415 | 64,751 | 72,127 | 76,110 | | |
| ING OPPENHEIMER STRATEGIC INCOME PORTFOLIO | | | | | | |
| (Funds were first received in this option during April 2005) | | | | | | |
| Value at beginning of period | \$11.51 | \$10.72 | \$10.01 | \$9.88 | | |
| Value at end of period | \$9.60 | \$11.51 | \$10.72 | \$10.01 | | |
| Number of accumulation units outstanding at end of period | 4,493 | 4,119 | 8,771 | 9,613 | | |
| ING OPPORTUNISTIC LARGE CAP GROWTH PORTFOLIO | | | | | | |
| (Funds were first received in this option during December 2003) | | | | | | |
| Value at beginning of period | \$13.94 | \$11.97 | \$11.81 | \$10.93 | \$10.33 | \$10.33 |
| Value at end of period | \$7.70 | \$13.94 | \$11.97 | \$11.81 | \$10.93 | \$10.33 |
| Number of accumulation units outstanding at end of period | 4,828 | 5,355 | 6,557 | 8,067 | 10,257 | 15,889 |

Condensed Financial Information (continued)

ING OPPORTUNISTIC LARGE CAP VALUE PORTFOLIO (Funds were first received in this option during December 2003)

| | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|-----------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Value at beginning of period | \$13.95 | \$13.71 | \$11.97 | \$11.32 | \$10.41 | \$10.38 |
| Value at end of period | \$8.87 | \$13.95 | \$13.71 | \$11.97 | \$11.32 | \$10.41 |
| Number of accumulation units outstanding at end of period | 4,575 | 4,600 | 5,128 | 6,032 | 7,239 | 9,635 |

ING PIMCO TOTAL RETURN PORTFOLIO (Funds were first received in this option during December 2003)

| | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|-----------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Value at beginning of period | \$11.55 | \$10.69 | \$10.41 | \$10.32 | \$10.02 | \$10.01 |
| Value at end of period | \$11.38 | \$11.55 | \$10.69 | \$10.41 | \$10.32 | \$10.02 |
| Number of accumulation units outstanding at end of period | 1,765 | 1,801 | 1,088 | 1,307 | 2,093 | 2,227 |

ING PIONEER EQUITY INCOME PORTFOLIO (Funds were first received in this option during July 2007)

| | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|-----------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Value at beginning of period | \$9.11 | \$9.34 | | | | |
| Value at end of period | \$6.29 | \$9.11 | | | | |
| Number of accumulation units outstanding at end of period | 7,277 | 7,157 | | | | |

ING PIONEER FUND PORTFOLIO (Funds were first received in this option during October 2006)

| | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|-----------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Value at beginning of period | \$11.23 | \$10.79 | \$10.49 | | | |
| Value at end of period | \$7.26 | \$11.23 | \$10.79 | | | |
| Number of accumulation units outstanding at end of period | 1,337 | 954 | 954 | | | |

ING PIONEER MID CAP VALUE PORTFOLIO

(Funds were first received in this option during July 2007)

| | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|-----------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Value at beginning of period | \$11.07 | \$11.35 | | | | |
| Value at end of period | \$7.33 | \$11.07 | | | | |
| Number of accumulation units outstanding at end of period | 1,399 | 1,761 | | | | |

ING SOLUTION 2015 PORTFOLIO

(Funds were first received in this option during July 2005)

| | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|-----------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Value at beginning of period | \$12.07 | \$11.68 | \$10.68 | \$10.42 | | |
| Value at end of period | \$8.72 | \$12.07 | \$11.68 | \$10.68 | | |
| Number of accumulation units outstanding at end of period | 5,338 | 3,673 | 3,092 | 3,090 | | |

ING SOLUTION 2025 PORTFOLIO

(Funds were first received in this option during November 2005)

| | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|-----------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Value at beginning of period | \$12.53 | \$12.13 | \$10.91 | \$10.70 | | |
| Value at end of period | \$8.19 | \$12.53 | \$12.13 | \$10.91 | | |
| Number of accumulation units outstanding at end of period | 2,054 | 990 | 989 | 989 | | |

ING SOLUTION 2035 PORTFOLIO (Funds were first received in this option during August 2007)

| | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|-----------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Value at beginning of period | \$12.97 | \$12.66 | | | | |
| Value at end of period | \$8.07 | \$12.97 | | | | |
| Number of accumulation units outstanding at end of period | 2,324 | 2,200 | | | | |

ING SOLUTION INCOME PORTFOLIO (Funds were first received in this option during July 2007)

| | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|-----------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Value at beginning of period | \$11.35 | \$11.23 | | | | |
| Value at end of period | \$9.34 | \$11.35 | | | | |
| Number of accumulation units outstanding at end of period | 1,178 | 1,178 | | | | |

ING T. ROWE PRICE DIVERSIFIED MID CAP GROWTH PORTFOLIO (Funds were first received in this option during April 2005)

| | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|-----------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Value at beginning of period | \$13.39 | \$11.95 | \$11.09 | \$9.93 | | |
| Value at end of period | \$7.52 | \$13.39 | \$11.95 | \$11.09 | | |
| Number of accumulation units outstanding at end of period | 17,666 | 18,121 | 23,875 | 27,484 | | |

Condensed Financial Information (continued)

| | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|-----------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| ING T. ROWE PRICE EQUITY INCOME PORTFOLIO | | | | | | |
| (Funds were first received in this option during November 2005) | | | | | | |
| Value at beginning of period | \$13.93 | \$13.69 | \$11.64 | \$11.37 | | |
| Value at end of period | \$8.85 | \$13.93 | \$13.69 | \$11.64 | | |
| Number of accumulation units outstanding at end of period | 0 | 2,912 | 2,912 | 2,912 | | |
| ING T. ROWE PRICE GROWTH EQUITY PORTFOLIO | | | | | | |
| (Funds were first received in this option during December 2003) | | | | | | |
| Value at beginning of period | \$14.36 | \$13.23 | \$11.83 | \$11.28 | \$10.38 | \$10.36 |
| Value at end of period | \$8.20 | \$14.36 | \$13.23 | \$11.83 | \$11.28 | \$10.38 |
| Number of accumulation units outstanding at end of period | 7,794 | 10,691 | 14,061 | 16,798 | 22,446 | 22,239 |
| ING TEMPLETON FOREIGN EQUITY PORTFOLIO | | | | | | |
| (Funds were first received in this option during April 2008) | | | | | | |
| Value at beginning of period | \$10.20 | | | | | |
| Value at end of period | \$6.28 | | | | | |
| Number of accumulation units outstanding at end of period | 47,388 | | | | | |
| ING THORNBURG VALUE PORTFOLIO | | | | | | |
| (Funds were first received in this option during December 2003) | | | | | | |
| Value at beginning of period | \$14.14 | \$13.35 | \$11.57 | \$11.54 | \$10.35 | \$10.34 |
| Value at end of period | \$8.41 | \$14.14 | \$13.35 | \$11.57 | \$11.54 | \$10.35 |
| Number of accumulation units outstanding at end of period | 2,412 | 2,867 | 3,558 | 3,566 | 4,770 | 5,934 |
| ING UBS U.S. LARGE CAP EQUITY PORTFOLIO | | | | | | |
| (Funds were first received in this option during December 2003) | | | | | | |
| Value at beginning of period | \$14.30 | \$14.31 | \$12.65 | \$11.71 | \$10.34 | \$10.32 |
| Value at end of period | \$8.51 | \$14.30 | \$14.31 | \$12.65 | \$11.71 | \$10.34 |
| Number of accumulation units outstanding at end of period | 57,234 | 73,874 | 90,208 | 99,737 | 113,572 | 138,029 |
| ING VAN KAMPEN CAPITAL GROWTH PORTFOLIO | | | | | | |
| (Funds were first received in this option during October 2008) | | | | | | |
| Value at beginning of period | \$6.86 | | | | | |
| Value at end of period | \$5.51 | | | | | |
| Number of accumulation units outstanding at end of period | 835 | | | | | |
| ING VAN KAMPEN COMSTOCK PORTFOLIO | | | | | | |
| (Funds were first received in this option during December 2003) | | | | | | |
| Value at beginning of period | \$13.61 | \$14.10 | \$12.33 | \$12.06 | \$10.46 | \$10.45 |
| Value at end of period | \$8.54 | \$13.61 | \$14.10 | \$12.33 | \$12.06 | \$10.46 |
| Number of accumulation units outstanding at end of period | 3,977 | 4,392 | 5,025 | 4,055 | 3,401 | 568 |
| ING VAN KAMPEN EQUITY AND INCOME PORTFOLIO | | | | | | |
| (Funds were first received in this option during April 2005) | | | | | | |
| Value at beginning of period | \$12.16 | \$11.89 | \$10.69 | \$9.98 | | |
| Value at end of period | \$9.20 | \$12.16 | \$11.89 | \$10.69 | | |
| Number of accumulation units outstanding at end of period | 18,209 | 23,379 | 35,175 | 33,215 | | |
| ING VP BALANCED PORTFOLIO, INC. | | | | | | |
| (Funds were first received in this option during December 2003) | | | | | | |
| Value at beginning of period | \$12.88 | \$12.35 | \$11.37 | \$11.05 | \$10.22 | \$10.22 |
| Value at end of period | \$9.14 | \$12.88 | \$12.35 | \$11.37 | \$11.05 | \$10.22 |
| Number of accumulation units outstanding at end of period | 217,888 | 256,682 | 287,884 | 397,835 | 497,215 | 557,495 |
| ING VP GROWTH AND INCOME PORTFOLIO | | | | | | |
| (Funds were first received in this option during December 2003) | | | | | | |
| Value at beginning of period | \$14.30 | \$13.48 | \$11.95 | \$11.19 | \$10.46 | \$10.46 |
| Value at end of period | \$8.81 | \$14.30 | \$13.48 | \$11.95 | \$11.19 | \$10.46 |
| Number of accumulation units outstanding at end of period | 443,036 | 526,556 | 582,195 | 651,091 | 768,283 | 855,351 |

Condensed Financial Information (continued)

ING VP INDEX PLUS INTERNATIONAL EQUITY PORTFOLIO

(Funds were first received in this option during November 2007)

Value at beginning of period

Value at end of period

Number of accumulation units outstanding at end of period

ING VP INDEX PLUS LARGE CAP PORTFOLIO

(Funds were first received in this option during December 2003)

Value at beginning of period

Value at end of period

Number of accumulation units outstanding at end of period

ING VP INDEX PLUS MIDCAP PORTFOLIO

(Funds were first received in this option during December 2003)

Value at beginning of period

Value at end of period

Number of accumulation units outstanding at end of period

ING VP INDEX PLUS SMALL CAP PORTFOLIO

(Funds were first received in this option during December 2003)

Value at beginning of period

Value at end of period

Number of accumulation units outstanding at end of period

ING VP INTERMEDIATE BOND PORTFOLIO

(Funds were first received in this option during December 2003)

Value at beginning of period

Value at end of period

Number of accumulation units outstanding at end of period

ING VP INTERNATIONAL VALUE PORTFOLIO

(Funds were first received in this option during December 2003)

Value at beginning of period

Value at end of period

Number of accumulation units outstanding at end of period

ING VP MIDCAP OPPORTUNITIES PORTFOLIO

(Funds were first received in this option during April 2008)

Value at beginning of period

Value at end of period

Number of accumulation units outstanding at end of period

ING VP MONEY MARKET PORTFOLIO

(Funds were first received in this option during December 2003)

Value at beginning of period

Value at end of period

Number of accumulation units outstanding at end of period

ING VP SMALL COMPANY PORTFOLIO

(Funds were first received in this option during December 2003)

Value at beginning of period

Value at end of period

Number of accumulation units outstanding at end of period

ING VP STRATEGIC ALLOCATION CONSERVATIVE PORTFOLIO

(Funds were first received in this option during December 2003)

Value at beginning of period

Value at end of period

Number of accumulation units outstanding at end of period

2008

2007

2006

2005

2004

2003

\$9.55

\$9.71

\$5.31

\$9.55

865

3,707

\$13.85

\$13.36

\$8.59

\$13.85

27,581

35,459

\$11.80

\$13.36

\$11.80

\$11.34

\$11.80

\$11.34

\$10.38

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\$10.38

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\$10.38

Condensed Financial Information (continued)

ING VP STRATEGIC ALLOCATION GROWTH PORTFOLIO

(Funds were first received in this option during December 2003)

Value at beginning of period

Value at end of period

Number of accumulation units outstanding at end of period

ING VP STRATEGIC ALLOCATION MODERATE PORTFOLIO

(Funds were first received in this option during December 2003)

Value at beginning of period

Value at end of period

Number of accumulation units outstanding at end of period

LORD ABBETT SERIES FUND - MID-CAP VALUE PORTFOLIO

(Funds were first received in this option during December 2003)

Value at beginning of period

Value at end of period

Number of accumulation units outstanding at end of period

OPPENHEIMER MAIN STREET SMALL CAP FUND@/NA

(Funds were first received in this option during January 2007)

Value at beginning of period

Value at end of period

Number of accumulation units outstanding at end of period

PIMCO VIT REAL RETURN PORTFOLIO

(Funds were first received in this option during December 2005)

Value at beginning of period

Value at end of period

Number of accumulation units outstanding at end of period

PIONEER HIGH YIELD VCT PORTFOLIO

(Funds were first received in this option during October 2005)

Value at beginning of period

Value at end of period

Number of accumulation units outstanding at end of period

WANGER SELECT

(Funds were first received in this option during October 2005)

Value at beginning of period

Value at end of period

Number of accumulation units outstanding at end of period

WANGER U.S. SMALLER COMPANIES

(Funds were first received in this option during May 2006)

Value at beginning of period

Value at end of period

Number of accumulation units outstanding at end of period

2008

2007

2006

2005

2004

2003

\$13.87

\$8.76

6,825

\$13.37

\$13.87

6,873

\$11.96

\$13.37

6,724

\$11.41

\$11.96

7,483

\$10.31

\$11.41

6,059

\$10.30

\$10.31

9,416

\$11.15

\$10.24

\$11.15

\$10.24

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\$11.15

\$10.24

\$11.15

\$10.24

Please attach to your application

I hereby acknowledge receipt of a Variable Annuity Account C Individual Variable Annuity Contract Prospectus dated May 1, 2009 for Individual Retirement Annuities and Simplified Employee Pension Plans, as well as the current prospectuses pertaining to the variable investment options available under the contracts.

____ Please send a Variable Annuity Account C Statement of Additional Information (Form No. SAI.75988-09) dated May 1, 2009.

____ Please send the most recent annual and/or quarterly report of ING Life Insurance and Annuity Company.

CONTRACT HOLDER'S SIGNATURE

DATE

**ING Life Insurance and Annuity Company
and its Variable Annuity Account C**

ING Pension IRA

**For 1984 Contracts (Prospectus No. PRO.75992-09)
and for 1992, 1994 and 2004 Contracts (Prospectus No. PRO.75988-09)**

**Supplement dated May 1, 2009 to the Contract Prospectus and Statement of Additional
Information, each dated May 1, 2009**

The following information updates and amends certain information contained in your variable annuity Contract Prospectus and Statement of Additional Information ("SAI"). Please read it carefully and keep it with your current Contract Prospectus and SAI for future reference.

1. Effective in July and August certain funds offered through your contract will be reorganized into other funds as follows:

Effective after the close of business on July 17, 2009, the following Disappearing Portfolios will reorganize into and become part of the following Surviving Portfolios:

| Disappearing Portfolios | Surviving Portfolios |
|----------------------------------------------------|------------------------------------------------------------|
| ING American Century Large Company Value Portfolio | ING T. Rowe Price Equity Income Portfolio |
| ING JPMorgan Value Opportunities Portfolio | ING Russell TM Large Cap Value Index Portfolio |
| ING Van Kampen Capital Growth Portfolio | ING Russell TM Large Cap Growth Index Portfolio |

Accordingly, effective after the close of business on July 17, 2009 investments in the Disappearing Portfolios will automatically become investments in the Surviving Portfolios, as follows:

- All existing account balances invested in the ING American Century Large Company Value Portfolio (S Class) will automatically become investments in the ING T. Rowe Price Equity Income Portfolio (Class S).
- Class I of the ING RussellTM Large Cap Value Index Portfolio will automatically be added to your contract and all existing account balances invested in the ING JPMorgan Value Opportunities Portfolio (Class I) will automatically become investments in the ING RussellTM Large Cap Value Index Portfolio (Class I).
- Class I of the ING RussellTM Large Cap Growth Index Portfolio will automatically be added to your contract and all existing account balances invested in the ING Van Kampen Capital Growth Portfolio (Class I) will automatically become investments in the ING RussellTM Large Cap Growth Index Portfolio (Class I).

As a result of the reorganizations, effective after the close of business on July 17, 2009 all references to the Disappearing Portfolios in the Contract Prospectus and SAI are hereby deleted.

Effective after the close of business on August 7, 2009, the following Disappearing Portfolios will reorganize into and become part of the following Surviving Portfolios:

| Disappearing Portfolios | Surviving Portfolios |
|-----------------------------------------------|--------------------------------------|
| ING Opportunistic LargeCap Growth Portfolio | ING Opportunistic LargeCap Portfolio |
| ING Index Plus International Equity Portfolio | ING International Index Portfolio |

Accordingly, effective after the close of business on August 7, 2009 investments in the Disappearing Portfolios will automatically become investments in the Surviving Portfolios, as follows:

- All existing account balances invested in the ING Opportunistic LargeCap Growth Portfolio (Class I) will automatically become investments in the ING Opportunistic LargeCap Portfolio (Class I).
- Class I of the ING International Index Portfolio will automatically be added to your contract and all existing account balances invested in the ING Index Plus International Equity Portfolio (Class I) will automatically become investments in the ING International Index Portfolio (Class I).

As a result of the reorganizations, effective after the close of business on August 7, 2009 all references to the Disappearing Portfolios in the Contract Prospectus and SAI are hereby deleted.

Unless you provide us with alternative allocation instructions, all future allocations directed to the Disappearing Portfolio after the date of the reorganization will be automatically allocated to the Surviving Portfolio. You may give us alternative allocation instructions at any time by contacting our Customer Service Center at:

ING
USFS Customer Service
Defined Contribution Administration
P.O. Box 990063
Hartford, CT 06199-0063
1-800-262-3862

See also the Transfers Among Investment Options section of your Contract Prospectus for further information about making allocation changes. More information about the funds available through your contract, including information about the risks associated with investing in these funds, can be found in the current prospectus and SAI for that fund. You may obtain these documents by contacting us at our Customer Service Center noted above.

2. Effective after the close of business on July 17, 2009 or August 7, 2009, as applicable, the following information regarding the new funds made available in July and August as noted above is added to Appendix IV – Description of Underlying Funds.

| Fund Name | Investment Adviser/Subadviser | Investment Objective(s) |
|----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| ING Variable Portfolios, Inc. – ING International Index Portfolio | ING Investments, LLC Subadviser: ING Investment Management Co. | Seeks investment (before fees and expenses) results that correspond to the total return of a widely accepted International Index. |
| ING Variable Portfolios, Inc. – ING RussellTM Large Cap Growth Index Portfolio | ING Investments, LLC Subadviser: ING Investment Management Co. | Seeks investment results (before fees and expenses) that correspond to the total return of the Russell Top 200 [®] Growth Index. |
| ING Variable Portfolios, Inc. – ING RussellTM Large Cap Value Index Portfolio | ING Investments, LLC Subadviser: ING Investment Management Co. | Seeks investment results (before fees and expenses) that correspond to the total return of the Russell Top 200 [®] Value Index. |

3. The minimum and maximum Total Annual Fund Operating Expenses shown in the Contract Prospectus will not change as a result of the reorganization. Therefore, there will be no change to the hypothetical examples shown in the Contract Prospectus.

VARIABLE ANNUITY ACCOUNT C OF ING LIFE INSURANCE AND ANNUITY COMPANY

Statement of Additional Information dated May 1, 2009

Individual Deferred Fixed or Variable Annuity Contracts for Individual
Retirement Annuities under Section 408(b), Roth Individual
Retirement Annuities under Section 408A and Simplified
Employee Pension Plans under Section 408(k)

This Statement of Additional Information is not a prospectus and should be read in conjunction with the current prospectus for Variable Annuity Account C (the “separate account”) dated May 1, 2009.

A free prospectus is available upon request from the local ING Life Insurance and Annuity Company office or by writing to or calling:

ING
USFS Customer Service
Defined Contribution Administration,
P.O. Box 990063
Hartford, CT 06199-0063
1-800-262-3862

Read the prospectus before you invest. Unless otherwise indicated, terms used in this Statement of Additional Information shall have the same meaning as in the prospectus.

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GENERAL INFORMATION AND HISTORY

ING Life Insurance and Annuity Company (the Company, we, us, our) issues the contract described in the prospectus and is responsible for providing each contract's insurance and annuity benefits. We are a stock life insurance company organized under the insurance laws of the State of Connecticut in 1976 and an indirect wholly owned subsidiary of ING Groep N.V. ("ING"), a global financial institution active in the fields of insurance, banking and asset management and is a direct, wholly owned subsidiary of Lion Connecticut Holdings Inc.

Through a merger, our operations include the business of Aetna Variable Annuity Life Insurance Company (formerly known as Participating Annuity Life Insurance Company, an Arkansas life insurance company organized in 1954). Our Home Office is located at One Orange Way, Windsor, Connecticut 06095-4774. Prior to January 1, 2002, the Company was known as Aetna Life Insurance and Annuity Company.

As of December 31, 2008, the Company had \$50 billion invested through its products, including \$37 billion in its separate accounts (of which the Company's investment management affiliates manage or oversee the management of \$22 billion). Based on assets, ING Life Insurance and Annuity Company is ranked among the top 2% of all life and health insurance companies rated by A.M. Best Company as of July 15, 2008.

The Company serves as the depositor for the separate account.

Other than the mortality and expense risk charge and administrative expense charge, if any, described in the prospectus, all expenses incurred in the operations of the separate account are borne by the Company. However, the Company does receive compensation for certain administrative costs or distribution costs from the funds or affiliates of the funds used as funding options under the contract. (See "Fees" in the prospectus.)

The assets of the separate account are held by the Company. The separate account has no custodian. However, the funds in whose shares the assets of the separate account are invested each have custodians, as discussed in their respective prospectuses.

From this point forward, the term "contract(s)" refers only to those offered through the prospectus.

VARIABLE ANNUITY ACCOUNT C

Variable Annuity Account C is a separate account established by the Company for the purpose of funding variable annuity contracts issued by the Company. The separate account is registered with the Securities and Exchange Commission (SEC) as a unit investment trust under the Investment Company Act of 1940, as amended. Purchase payments to accounts under the contract may be allocated to one or more of the subaccounts. Each subaccount invests in the shares of only one of the funds listed below. We may make additions to, deletions from or substitutions of available investment options as permitted by law and subject to the conditions of the contract. The availability of the funds is subject to applicable regulatory authorization. Not all funds are available in all jurisdictions or under all contracts.

The funds currently available under the contract are as follows:

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| AIM V.I. Capital Appreciation Fund (Series I) AIM V.I. Core Equity Fund (Series I) AllianceBernstein Growth and Income Portfolio (Class A) Calvert Social Balanced Portfolio Fidelity® VIP Contrafund® Portfolio (Initial Class) Fidelity® VIP Equity-Income Portfolio (Initial Class) Fidelity® VIP Growth Portfolio (Initial Class) Fidelity® VIP Overseas Portfolio (Initial Class) Franklin Small Cap Value Securities Fund (Class 2) ING American Century Large Company Value Portfolio (S Class) ING American Century Small-Mid Cap Value Portfolio (S Class) ING Artio Foreign Portfolio (Class S) ⁽¹⁾ ING Balanced Portfolio, Inc. (Class I) ⁽¹⁾ ING Baron Small Cap Growth Portfolio (S Class) ING BlackRock Large Cap Growth Portfolio (Class I) ING BlackRock Science and Technology Opportunities Portfolio (Class I) ⁽¹⁾ ING Clarion Global Real Estate Portfolio (Class I) ⁽¹⁾ ING Davis New York Venture Portfolio (S Class) ING GET U.S. Core Portfolio ⁽²⁾ ING Growth and Income Portfolio (Class I) ⁽¹⁾ ING Index Plus International Equity Portfolio (Class I) ⁽¹⁾ ING Index Plus LargeCap Portfolio (Class I) ⁽¹⁾ ING Index Plus MidCap Portfolio (Class I) ⁽¹⁾ ING Index Plus SmallCap Portfolio (Class I) ⁽¹⁾ ING Intermediate Bond Portfolio (Class I) ⁽¹⁾ ING International Value Portfolio (Class I) ⁽¹⁾ ING JPMorgan Mid Cap Value Portfolio (S Class) ING JPMorgan Value Opportunities Portfolio (Class I) ING Legg Mason Partners Aggressive Growth Portfolio (I Class) ING Lord Abbett Affiliated Portfolio (Class I) ING Marsico Growth Portfolio (Class I) ING MFS Total Return Portfolio (Class S) ING MidCap Opportunities Portfolio (Class I) ⁽¹⁾ ING Money Market Portfolio (Class I) ⁽¹⁾ | ING Oppenheimer Global Portfolio (I Class) ING Oppenheimer Strategic Income Portfolio (I Class) ING Opportunistic LargeCap Growth Portfolio (Class I) ING Opportunistic LargeCap Portfolio (Class I) ⁽¹⁾ ING PIMCO Total Return Portfolio (S Class) ING Pioneer Equity Income Portfolio (Class I) ING Pioneer Fund Portfolio (Class I) ING Pioneer High Yield Portfolio (I Class) ING Pioneer Mid Cap Value Portfolio (Class I) ING Small Company Portfolio (Class I) ⁽¹⁾ ING SmallCap Opportunities Portfolio (Class I) ⁽¹⁾ ING Solution Income Portfolio (S Class) ⁽³⁾ ING Solution 2015 Portfolio (S Class) ⁽³⁾ ING Solution 2025 Portfolio (S Class) ⁽³⁾ ING Solution 2035 Portfolio (S Class) ⁽³⁾ ING Solution 2045 Portfolio (S Class) ⁽³⁾ ING Strategic Allocation Conservative Portfolio (Class I) ⁽¹⁾⁽³⁾ ING Strategic Allocation Growth Portfolio (Class I) ⁽¹⁾⁽³⁾ ING Strategic Allocation Moderate Portfolio (Class I) ⁽¹⁾⁽³⁾ ING T. Rowe Price Diversified Mid Cap Growth Portfolio (I Class) ING T. Rowe Price Equity Income Portfolio (Class S) ING T. Rowe Price Growth Equity Portfolio (I Class) ING Templeton Foreign Equity Portfolio (I Class) ING Thornburg Value Portfolio (I Class) ING UBS U.S. Large Cap Equity Portfolio (I Class) ING Van Kampen Capital Growth Portfolio (Class I) ING Van Kampen Comstock Portfolio (S Class) ING Van Kampen Equity and Income Portfolio (I Class) Lord Abbett Series Fund - Mid-Cap Value Portfolio (Class VC) Oppenheimer Main Street Small Cap Fund®VA PIMCO VIT Real Return Portfolio (Administrative Class) Pioneer High Yield VCT Portfolio (Class I) Wanger Select Wanger USA |
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- (1) This fund has changed its name to the name listed above. See “Appendix IV - Descriptions of Underlying Funds” in the prospectus for a complete list of former and current name changes.
- (2) The ING GET U.S. Core Portfolio is not currently available for investment.
- (3) These portfolios are structured as fund of funds that invest directly in shares of underlying funds. See “Fees – Fund Fees and Expenses” in the prospectus for additional information.

Complete descriptions of each of the funds, including their investment objectives, policies, risks and fees and expenses, are contained in the prospectuses and statements of additional information for each of the funds.

OFFERING AND PURCHASE OF CONTRACTS

The Company's subsidiary, ING Financial Advisers, LLC serves as the principal underwriter for the contracts. ING Financial Advisers, LLC, a Delaware limited liability company, is registered as a broker-dealer with the SEC. ING Financial Advisers, LLC is also a member of the Financial Industry Regulatory Authority ("FINRA"), and the Securities Investor Protection Corporation ("SIPC"). ING Financial Advisers, LLC's principal office is located at One Orange Way, Windsor, Connecticut 06095-4774. The contracts are distributed through life insurance agents licensed to sell variable annuities who are registered representatives of ING Financial Advisers, LLC or of other registered broker-dealers who have entered into sales arrangements with ING Financial Advisers, LLC. The offering of the contracts is continuous. A description of the manner in which contracts are purchased may be found in the prospectus under the sections entitled "Purchase" and "Your Account Value."

Compensation paid to the principal underwriter, ING Financial Advisers, LLC, for the years ending December 31, 2008, 2007 and 2006 amounted to approximately \$43,901,529.15, \$44,267,199.63 and \$43,390,180.16, respectively. These amounts reflect approximate compensation paid to ING Financial Advisers, LLC attributable to regulatory and operating expenses associated with the distribution of all registered variable annuity products issued by Variable Annuity Account C of ING Life Insurance and Annuity Company.

INCOME PHASE PAYMENTS

When you begin receiving payments under the contract during the income phase (see "The Income Phase" in the prospectus), the value of your account is determined using accumulation unit values as of the tenth valuation day before the first income phase payment is due. Such value (less any applicable premium tax charge) is applied to provide income phase payments to you in accordance with the income phase payment option and investment options elected.

The annuity option tables found in the contract show, for each option, the amount of the first income phase payment for each \$1,000 of value applied. Thereafter, variable income phase payments fluctuate as the annuity unit value(s) fluctuates with the investment experience of the selected investment option(s). The first income phase payment and subsequent income phase payments also vary depending upon the assumed net investment rate selected (3.5% or 5% per annum). Selection of a 5% rate causes a higher first income phase payment, but income phase payments will increase thereafter only to the extent that the investment performance of the subaccounts you selected is greater than 5% annually, after deduction of fees. Income phase payments would decline if the performance was less than 5%. Use of the 3.5% assumed rate causes a lower first income phase payment, but subsequent income phase payments would increase more rapidly or decline more slowly as changes occur in the performance of the subaccounts selected.

When the income phase begins, the annuitant is credited with a fixed number of annuity units (which does not change thereafter) in each of the designated investment options. This number is calculated by dividing (a) by (b), where (a) is the amount of the first income phase payment based on a particular investment option, and (b) is the then current annuity unit value for that investment option. As noted, annuity unit values fluctuate from one valuation to the next (see "Your Account Value" in the prospectus); such fluctuations reflect changes in the net investment factor for the appropriate subaccount(s) (with a ten valuation lag which gives the Company time to process income phase payments) and a mathematical adjustment which offsets the assumed net investment rate of 3.5% or 5% per annum.

The operation of all these factors can be illustrated by the following hypothetical example. These procedures will be performed separately for the investment options selected during the income phase.

EXAMPLE:

Assume that, at the date income phase payments are to begin, there are 3,000 accumulation units credited under a particular contract and that the value of an accumulation unit for the tenth valuation prior to retirement was \$13.650000. This produces a total value of \$40,950.

Assume also that no premium tax charge is payable and that the annuity table in the contract provides, for the income phase payment option elected, a first monthly variable income phase payment of \$6.68 per \$1000 of value applied; the annuitant's first monthly income phase payment would thus be \$40.950 multiplied by \$6.68, or \$273.55.

Assume then that the value of an annuity unit upon the valuation on which the first income phase payment was due was \$13.400000. When this value is divided into the first monthly income phase payment, the number of annuity units is determined to be 20.414. The value of this number of annuity units will be paid in each subsequent month.

Suppose there were 30 days between the initial and second payment valuation dates. If the net investment factor with respect to the appropriate subaccount is 1.0032737 as of the tenth valuation preceding the due date of the second monthly income phase payment, multiplying this factor by $.9971779^{*} = .9999058^{*30}$ (to take into account 30 days of the assumed net investment rate of 3.5% per annum built into the number of annuity units determined above)

produces a result of 1.000442. This is then multiplied by the annuity unit value for the prior valuation (assume such value to be \$13.400000) to produce an annuity unit value of \$13.405928 for the valuation occurring when the second income phase payment is due.

The second monthly income phase payment is then determined by multiplying the number of annuity units by the current annuity unit value, or 20.414 times \$13.405928, which produces an income phase payment of \$273.67.

*If an assumed net investment rate of 5% is elected, the appropriate factor to take into account such assumed rate would be $.9959968 = .9998663^{*30}$.

SALES MATERIAL AND ADVERTISING

We may include hypothetical illustrations in our sales literature that explain the mathematical principles of dollar cost averaging, compounded interest, tax deferred accumulation, and the mechanics of variable annuity contracts. We may also discuss the difference between variable annuity contracts and other types of savings or investment products such as personal savings accounts and certificates of deposit.

We may distribute sales literature that compares the percentage change in accumulation unit values for any of the subaccounts to established market indices such as the Standard & Poor's 500 Stock Index and the Dow Jones Industrial Average or to the percentage change in values of other management investment companies that have investment objectives similar to the subaccount being compared.

We may publish in advertisements and reports, the ratings and other information assigned to us by one or more independent rating organizations such as A.M. Best Company, Duff & Phelps, Standard & Poor's Corporation and Moody's Investors Service, Inc. The purpose of the ratings is to reflect our financial strength and/or claims-paying ability. We may also quote ranking services such as Morningstar's Variable Annuity/Life Performance Report and Lipper's Variable Insurance Products Performance Analysis Service (VIPPAS), which rank variable annuity or life subaccounts or their underlying funds by performance and/or investment objective. We may categorize the underlying funds in terms of the asset classes they represent and use such categories in marketing materials for the contracts. We may illustrate in advertisements the performance of the underlying funds, if accompanied by performance which also shows the performance of such funds reduced by applicable charges under the separate account. We may also show in advertisements the portfolio holdings of the underlying funds, updated at various intervals. From time to time, we will quote articles from newspapers and magazines or other publications or reports such as The Wall Street Journal, Money magazine, USA Today and The VARDS Report.

We may provide in advertising, sales literature, periodic publications or other materials information on various topics of interest to current and prospective contract holders. These topics may include the relationship between sectors of the economy and the economy as a whole and its effect on various securities markets, investment strategies and techniques (such as value investing, market timing, dollar cost averaging, asset allocation, constant ratio transfer and account rebalancing), the advantages and disadvantages of investing in tax-deferred and taxable investments, customer profiles and hypothetical purchase and investment scenarios, financial management and tax and retirement planning, and investment alternatives to certificates of deposit and other financial instruments, including comparison between the contract and the characteristics of and market for such financial instruments.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young LLP, 55 Ivan Allen Jr. Boulevard, Suite 1000, Atlanta, GA 30308, an Independent Registered Public Accounting Firm, performs annual audits of ING Life Insurance and Annuity Company and Variable Annuity Account C.

FINANCIAL STATEMENTS

Variable Annuity Account C of

ING Life Insurance and Annuity Company

Year ended December 31, 2008

with Report of Independent Registered Public Accounting Firm

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**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY
Financial Statements
Year ended December 31, 2008**

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| Statements of Operations | 55 |
| Statements of Changes in Net Assets | 109 |
| Notes to Financial Statements | 176 |

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Participants ING Life Insurance and Annuity Company

We have audited the accompanying statements of assets and liabilities of the Divisions constituting Variable Annuity Account C of ING Life Insurance and Annuity Company (the “Account”) as of December 31, 2008, and the related statements of operations and changes in net assets for the periods disclosed in the financial statements. These financial statements are the responsibility of the Account’s management. Our responsibility is to express an opinion on these financial statements based on our audits. The Account is comprised of the following Divisions:

AIM Growth Series:

- AIM Mid Cap Core Equity Fund - Class A
- AIM Small Cap Growth Fund - Class A

AIM Investment Funds:

- AIM Global Health Care Fund - Investor Class

AIM Variable Insurance Funds:

- AIM V.I. Capital Appreciation Fund - Series I Shares
- AIM V.I. Core Equity Fund - Series I Shares

AllianceBernstein Growth and Income Fund, Inc.:

- AllianceBernstein Growth and Income Fund, Inc. - Class A
- AllianceBernstein Variable Products Series Fund, Inc.:
- AllianceBernstein Growth and Income Portfolio - Class A

Allianz Funds:

- Allianz NFJ Large-Cap Value Fund - Institutional Class
- Allianz NFJ Small-Cap Value Fund - Class A

Amana Mutual Funds Trust:

- Amana Growth Fund
- Amana Income Fund

American Balanced Fund®, Inc.:

- American Balanced Fund® - Class R-3

American Century Quantitative Equity Funds, Inc.:

- American Century Income & Growth Fund - A Class

Ariel Investment Trust:

- Ariel Appreciation Fund
- Ariel Fund

Artisan Funds, Inc.:

- Artisan International Fund - Investor Shares

The Bond Fund of AmericaSM, Inc.:

- The Bond Fund of AmericaSM, Inc. - Class R-4

Calvert Variable Series, Inc.:

- Calvert Social Balanced Portfolio

Capital One Funds:

- Capital One Mid Cap Equity Fund - Class A

Columbia Acorn Trust:

- ColumbiaSM Acorn Fund® - Class Z

Columbia Funds Series Trust:

- Columbia Mid Cap Value Fund - Class A
- Columbia Mid Cap Value Fund - Class Z

DWS Institutional Funds:

- DWS Equity 500 Index Fund - Class S

EuroPacific Growth Fund®:

- EuroPacific Growth Fund® - Class R-3
- EuroPacific Growth Fund® - Class R-4

Evergreen Equity Trust:

- Evergreen Special Values Fund - Class A

Fidelity® Variable Insurance Products:

- Fidelity® VIP Equity-Income Portfolio - Initial Class
- Fidelity® VIP Growth Portfolio - Initial Class
- Fidelity® VIP High Income Portfolio - Initial Class
- Fidelity® VIP Overseas Portfolio - Initial Class

Fidelity® Variable Insurance Products II:

- Fidelity® VIP Contrafund® Portfolio - Initial Class
- Fidelity® VIP Index 500 Portfolio - Initial Class

Fidelity® Variable Insurance Products III:

- Fidelity® VIP Mid Cap Portfolio - Initial Class

Fidelity® Variable Insurance Products V:

- Fidelity® VIP Asset ManagerSM Portfolio - Initial Class

Franklin Mutual Series Fund Inc.:

- Mutual Discovery Fund - Class R

Franklin Strategic Series:

- Franklin Small-Mid Cap Growth Fund - Class A

Franklin Templeton Variable Insurance Products Trust:

- Franklin Small Cap Value Securities Fund - Class 2

Fundamental Investors, Inc.:

- Fundamental Investors, Inc. - Class R-3
- Fundamental Investors, Inc. - Class R-4

The Growth Fund of America®, Inc.:

- The Growth Fund of America® - Class R-3
- The Growth Fund of America® - Class R-4

The Income Fund of America®, Inc.:

- The Income Fund of America® - Class R-3

ING Equity Trust:

- ING Financial Services Fund - Class A
- ING Real Estate Fund - Class A

ING Funds Trust:

- ING GNMA Income Fund - Class A
- ING Intermediate Bond Fund - Class A

ING Investors Trust:

- ING AllianceBernstein Mid Cap Growth Portfolio - Service Class
- ING BlackRock Large Cap Growth Portfolio - Institutional Class
- ING BlackRock Large Cap Growth Portfolio - Service Class
- ING BlackRock Large Cap Growth Portfolio - Service 2 Class
- ING Evergreen Health Sciences Portfolio - Service Class
- ING Evergreen Omega Portfolio - Service Class
- ING FMRSM Diversified Mid Cap Portfolio - Service Class
- ING Global Real Estate Portfolio - Institutional Class
- ING Global Resources Portfolio - Institutional Class

ING Investors Trust (continued):

ING Global Resources Portfolio - Service Class
ING Janus Contrarian Portfolio - Service Class
ING JPMorgan Emerging Markets Equity Portfolio - Adviser Class
ING JPMorgan Emerging Markets Equity Portfolio - Institutional Class
ING JPMorgan Emerging Markets Equity Portfolio - Service Class
ING JPMorgan Small Cap Core Equity Portfolio - Service Class
ING JPMorgan Value Opportunities Portfolio - Institutional Class
ING JPMorgan Value Opportunities Portfolio - Service Class
ING Julius Baer Foreign Portfolio - Service Class
ING Legg Mason Value Portfolio - Service Class
ING Lord Abbett Affiliated Portfolio - Institutional Class
ING Lord Abbett Affiliated Portfolio - Service Class
ING Marsico Growth Portfolio - Institutional Class
ING Marsico Growth Portfolio - Service Class
ING Marsico International Opportunities Portfolio - Adviser Class
ING Marsico International Opportunities Portfolio - Service Class
ING MFS Total Return Portfolio - Adviser Class
ING MFS Total Return Portfolio - Institutional Class
ING MFS Total Return Portfolio - Service Class
ING MFS Utilities Portfolio - Service Class
ING Oppenheimer Main Street Portfolio® - Service Class
ING PIMCO High Yield Portfolio - Institutional Class
ING PIMCO High Yield Portfolio - Service Class
ING Pioneer Equity Income Portfolio - Institutional Class
ING Pioneer Fund Portfolio - Institutional Class
ING Pioneer Fund Portfolio - Service Class
ING Pioneer Mid Cap Value Portfolio - Adviser Class
ING Pioneer Mid Cap Value Portfolio - Institutional Class
ING Pioneer Mid Cap Value Portfolio - Service Class
ING Stock Index Portfolio - Institutional Class
ING T. Rowe Price Capital Appreciation Portfolio - Service Class
ING T. Rowe Price Equity Income Portfolio - Adviser Class
ING T. Rowe Price Equity Income Portfolio - Service Class
ING Templeton Global Growth Portfolio - Institutional Class
ING Templeton Global Growth Portfolio - Service Class
ING Van Kampen Capital Growth Portfolio - Institutional Class
ING Van Kampen Capital Growth Portfolio - Service Class
ING Van Kampen Growth and Income Portfolio - Service Class
ING Van Kampen Large Cap Growth Portfolio - Institutional Class
ING Van Kampen Large Cap Growth Portfolio - Service Class
ING Van Kampen Real Estate Portfolio - Institutional Class
ING Van Kampen Real Estate Portfolio - Service Class
ING VP Index Plus International Equity Portfolio - Institutional Class
ING VP Index Plus International Equity Portfolio - Service Class
ING Wells Fargo Disciplined Value Portfolio - Adviser Class
ING Wells Fargo Disciplined Value Portfolio - Service Class
ING Wells Fargo Small Cap Disciplined Portfolio - Service Class

ING Mutual Funds:
ING International Growth Opportunities Fund - Class Q
ING International SmallCap Multi-Manager Fund - Class A

ING Partners, Inc.:

ING American Century Large Company Value Portfolio - Adviser Class
ING American Century Large Company Value Portfolio - Service Class
ING American Century Small-Mid Cap Value Portfolio - Adviser Class
ING American Century Small-Mid Cap Value Portfolio - Service Class
ING Baron Asset Portfolio - Service Class
ING Baron Small Cap Growth Portfolio - Adviser Class
ING Baron Small Cap Growth Portfolio - Service Class
ING Columbia Small Cap Value II Portfolio - Service Class
ING Davis New York Venture Portfolio - Service Class
ING Fidelity® VIP Mid Cap Portfolio - Service Class
ING Index Solution 2015 Portfolio - Adviser Class
ING Index Solution 2025 Portfolio - Adviser Class
ING Index Solution 2035 Portfolio - Adviser Class
ING Index Solution 2045 Portfolio - Adviser Class
ING Index Solution Income Portfolio - Adviser Class
ING JPMorgan International Portfolio - Adviser Class
ING JPMorgan International Portfolio - Initial Class
ING JPMorgan International Portfolio - Service Class
ING JPMorgan Mid Cap Value Portfolio - Adviser Class
ING JPMorgan Mid Cap Value Portfolio - Service Class
ING Legg Mason Partners Aggressive Growth Portfolio - Adviser Class
ING Legg Mason Partners Aggressive Growth Portfolio - Initial Class
ING Legg Mason Partners Aggressive Growth Portfolio - Service Class
ING Legg Mason Partners Large Cap Growth Portfolio - Adviser Class
ING Legg Mason Partners Large Cap Growth Portfolio - Initial Class
ING Neuberger Berman Partners Portfolio - Service Class
ING Neuberger Berman Regency Portfolio - Service Class
ING OpCap Balanced Value Portfolio - Service Class
ING Oppenheimer Global Portfolio - Adviser Class
ING Oppenheimer Global Portfolio - Initial Class
ING Oppenheimer Global Portfolio - Service Class
ING Oppenheimer Strategic Income Portfolio - Adviser Class
ING Oppenheimer Strategic Income Portfolio - Initial Class
ING Oppenheimer Strategic Income Portfolio - Service Class
ING PIMCO Total Return Portfolio - Adviser Class
ING PIMCO Total Return Portfolio - Service Class
ING Pioneer High Yield Portfolio - Initial Class
ING Pioneer High Yield Portfolio - Service Class
ING Solution 2015 Portfolio - Adviser Class
ING Solution 2015 Portfolio - Service Class
ING Solution 2025 Portfolio - Adviser Class
ING Solution 2025 Portfolio - Service Class
ING Solution 2035 Portfolio - Adviser Class
ING Solution 2035 Portfolio - Service Class
ING Solution 2045 Portfolio - Adviser Class
ING Solution 2045 Portfolio - Service Class
ING Solution Growth and Income Portfolio - Service Class
ING Solution Growth Portfolio - Service Class
ING Solution Income Portfolio - Adviser Class
ING Solution Income Portfolio - Service Class

ING Partners, Inc. (continued):

ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Adviser Class
ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Initial Class
ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Service Class
ING T. Rowe Price Growth Equity Portfolio - Adviser Class
ING T. Rowe Price Growth Equity Portfolio - Initial Class
ING T. Rowe Price Growth Equity Portfolio - Service Class
ING Templeton Foreign Equity Portfolio - Adviser Class
ING Templeton Foreign Equity Portfolio - Initial Class
ING Templeton Foreign Equity Portfolio - Service Class
ING Thornburg Value Portfolio - Adviser Class
ING Thornburg Value Portfolio - Initial Class
ING UBS U.S. Large Cap Equity Portfolio - Adviser Class
ING UBS U.S. Large Cap Equity Portfolio - Initial Class
ING UBS U.S. Large Cap Equity Portfolio - Service Class
ING UBS U.S. Small Cap Growth Portfolio - Service Class
ING Van Kampen Comstock Portfolio - Adviser Class
ING Van Kampen Comstock Portfolio - Service Class
ING Van Kampen Equity and Income Portfolio - Adviser Class
ING Van Kampen Equity and Income Portfolio - Initial Class
ING Van Kampen Equity and Income Portfolio - Service Class
ING Strategic Allocation Portfolios, Inc.:
ING VP Strategic Allocation Conservative Portfolio - Class I
ING VP Strategic Allocation Growth Portfolio - Class I
ING VP Strategic Allocation Moderate Portfolio - Class I
ING Variable Funds:
ING VP Growth and Income Portfolio - Class A
ING VP Growth and Income Portfolio - Class I
ING VP Growth and Income Portfolio - Class S
ING Variable Insurance Trust:
ING GET U.S. Core Portfolio - Series 1
ING GET U.S. Core Portfolio - Series 2
ING GET U.S. Core Portfolio - Series 3
ING GET U.S. Core Portfolio - Series 5
ING GET U.S. Core Portfolio - Series 6
ING GET U.S. Core Portfolio - Series 7
ING GET U.S. Core Portfolio - Series 8
ING GET U.S. Core Portfolio - Series 9
ING GET U.S. Core Portfolio - Series 10
ING GET U.S. Core Portfolio - Series 11
ING Variable Portfolios, Inc.:
ING BlackRock Global Science and Technology Portfolio - Class I
ING International Index Portfolio - Class I
ING Lehman Brothers U.S. Aggregate Bond Index® Portfolio - Class I
ING Opportunistic Large Cap Growth Portfolio - Class I
ING Opportunistic Large Cap Value Portfolio - Class I
ING Russell™ Large Cap Index Portfolio - Class I
ING Russell™ Mid Cap Index Portfolio - Class I
ING Russell™ Small Cap Index Portfolio - Class I
ING VP Index Plus LargeCap Portfolio - Class I
ING VP Index Plus LargeCap Portfolio - Class S
ING VP Index Plus MidCap Portfolio - Class I
ING VP Index Plus MidCap Portfolio - Class S
ING VP Index Plus SmallCap Portfolio - Class I

ING Variable Portfolios, Inc. (continued):

ING VP Index Plus SmallCap Portfolio - Class S
ING VP Small Company Portfolio - Class I
ING VP Small Company Portfolio - Class S
ING Variable Products Trust:
ING VP Financial Services Portfolio - Class I
ING VP International Value Portfolio - Class I
ING VP International Value Portfolio - Class S
ING VP MidCap Opportunities Portfolio - Class I
ING VP MidCap Opportunities Portfolio - Class S
ING VP Real Estate Portfolio - Class I
ING VP SmallCap Opportunities Portfolio - Class I
ING VP SmallCap Opportunities Portfolio - Class S
ING VP Balanced Portfolio, Inc.:
ING VP Balanced Portfolio - Class I
ING VP Intermediate Bond Portfolio:
ING VP Intermediate Bond Portfolio - Class I
ING VP Intermediate Bond Portfolio - Class S
ING VP Money Market Portfolio:
ING VP Money Market Portfolio - Class I
Janus Adviser Series:
Janus Adviser Balanced Fund - Class S
Janus Aspen Series:
Janus Aspen Series Balanced Portfolio - Institutional Shares
Janus Aspen Series Flexible Bond Portfolio - Institutional Shares
Janus Aspen Series Large Cap Growth Portfolio - Institutional Shares
Janus Aspen Series Mid Cap Growth Portfolio - Institutional Shares
Janus Aspen Series Worldwide Growth Portfolio - Institutional Shares
The Lazard Funds, Inc.:
Lazard U.S. Mid Cap Equity Portfolio - Open Shares
LKCM Funds:
LKCM Aquinas Growth Fund
Loomis Sayles Funds I:
Loomis Sayles Small Cap Value Fund - Retail Class
Lord Abbett Mid Cap Value Fund, Inc.:
Lord Abbett Mid-Cap Value Fund, Inc. - Class A
Lord Abbett Research Fund, Inc.:
Lord Abbett Small-Cap Value Fund - Class A
Lord Abbett Series Fund, Inc.:
Lord Abbett Series Fund - Mid-Cap Value Portfolio - Class VC
Massachusetts Investors Growth Stock Fund:
Massachusetts Investors Growth Stock Fund - Class A
Moderate Allocation Portfolio:
Moderate Allocation Portfolio
Morgan Stanley Institutional Fund Trust:
Morgan Stanley U.S. Small Cap Value Portfolio - Class I
Neuberger Berman Equity Funds®:
Neuberger Berman Socially Responsive Fund® - Trust Class
New Perspective Fund®, Inc.:
New Perspective Fund®, Inc. - Class R-3
New Perspective Fund®, Inc. - Class R-4
Oppenheimer Capital Appreciation Fund:
Oppenheimer Capital Appreciation Fund - Class A
Oppenheimer Developing Markets Fund:
Oppenheimer Developing Markets Fund - Class A

| | |
|--------------------------------------------------------|------------------------------------------------------|
| Oppenheimer Variable Account Funds: | T. Rowe Price Mid-Cap Value Fund, Inc.: |
| Oppenheimer Global Securities/VA | T. Rowe Price Mid-Cap Value Fund - R Class |
| Oppenheimer Main Street Fund®/VA | T. Rowe Price Value Fund, Inc.: |
| Oppenheimer Main Street Small Cap Fund®/VA | T. Rowe Price Value Fund - Advisor Class |
| Oppenheimer MidCap Fund/VA | Templeton Funds, Inc.: |
| Oppenheimer Strategic Bond Fund/VA | Templeton Foreign Fund - Class A |
| Pax World Funds Series Trust I: | Templeton Income Trust: |
| Pax World Balanced Fund | Templeton Global Bond Fund - Class A |
| PIMCO Variable Insurance Trust: | Vanguard® Variable Insurance Fund: |
| PIMCO Real Return Portfolio - Administrative Class | Diversified Value Portfolio |
| Pioneer High Yield Fund: | Equity Income Portfolio |
| Pioneer High Yield Fund - Class A | Small Company Growth Portfolio |
| Pioneer Variable Contracts Trust: | Wanger Advisors Trust: |
| Pioneer Emerging Markets VCT Portfolio - Class I | Wanger International |
| Pioneer Equity Income VCT Portfolio - Class I | Wanger Select |
| Pioneer High Yield VCT Portfolio - Class I | Wanger USA |
| Pioneer Mid Cap Value VCT Portfolio - Class I | Washington Mutual Investors FundSM, Inc.: |
| Premier VIT: | Washington Mutual Investors FundSM, Inc. - Class R-3 |
| Premier VIT OpCap Mid Cap Portfolio | Washington Mutual Investors FundSM, Inc. - Class R-4 |
| RiverSource Investment Series, Inc.: | Wells Fargo Funds Trust: |
| RiverSource Diversified Equity Income Fund - Class R-4 | Wells Fargo Advantage Small Cap Value Fund - Class A |
| SmallCap World Fund, Inc.: | |
| SMALLCAP World Fund® - Class R-4 | |

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Account's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Account's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2008, by correspondence with the transfer agents. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each of the respective Divisions constituting Variable Annuity Account C of ING Life Insurance and Annuity Company at December 31, 2008, the results of their operations and changes in their net assets for the periods disclosed in the financial statements, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Atlanta, Georgia
March 12, 2009

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
December 31, 2008
(Dollars in thousands)

| | AIM Mid Cap Core Equity Fund - Class A | AIM Small Cap Growth Fund - Class A | AIM Global Health Care Fund - Investor Class | AIM V.I. Capital Appreciation Fund - Series I Shares | AIM V.I. Core Equity Fund - Series I Shares |
|----------------------------------------|-------------------------------------------------------|----------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------------------|------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 232 | \$ 20 | \$ 122 | \$ 17,871 | \$ 31,654 |
| Total assets | <u>232</u> | <u>20</u> | <u>122</u> | <u>17,871</u> | <u>31,654</u> |
| Net assets | <u>\$ 232</u> | <u>\$ 20</u> | <u>\$ 122</u> | <u>\$ 17,871</u> | <u>\$ 31,654</u> |
| Net assets | | | | | |
| Accumulation units | \$ 232 | \$ 20 | \$ 122 | \$ 17,824 | \$ 31,253 |
| Contracts in payout (annuitization) | - | - | - | 47 | 401 |
| Total net assets | <u>\$ 232</u> | <u>\$ 20</u> | <u>\$ 122</u> | <u>\$ 17,871</u> | <u>\$ 31,654</u> |
| Total number of mutual fund shares | <u>14,411</u> | <u>1,206</u> | <u>6,089</u> | <u>1,058,110</u> | <u>1,602,740</u> |
| Cost of mutual fund shares | <u>\$ 344</u> | <u>\$ 34</u> | <u>\$ 174</u> | <u>\$ 26,737</u> | <u>\$ 37,479</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
December 31, 2008
(Dollars in thousands)

| | AllianceBernstein Growth and Income Fund, Inc. - Class A | AllianceBernstein Growth and Income Portfolio - Class A | Allianz NFJ Large-Cap Value Fund - Institutional Class | Allianz NFJ Small-Cap Value Fund - Class A |
|----------------------------------------|-------------------------------------------------------------------------|------------------------------------------------------------------------|-------------------------------------------------------------------------------|---------------------------------------------------------------|
| Assets | | | | |
| Investments in mutual funds | | | | |
| at fair value | \$ 146 | \$ 371 | \$ 580 | \$ 336 |
| Total assets | 146 | 371 | 580 | 336 |
| Net assets | <u>\$ 146</u> | <u>\$ 371</u> | <u>\$ 580</u> | <u>\$ 336</u> |
| Net assets | | | | |
| Accumulation units | \$ 146 | \$ 371 | \$ 580 | \$ 336 |
| Contracts in payout (annuitization) | - | - | - | - |
| Total net assets | <u>\$ 146</u> | <u>\$ 371</u> | <u>\$ 580</u> | <u>\$ 336</u> |
| Total number of mutual fund shares | <u>59,198</u> | <u>28,316</u> | <u>51,626</u> | <u>17,627</u> |
| Cost of mutual fund shares | <u>\$ 226</u> | <u>\$ 669</u> | <u>\$ 690</u> | <u>\$ 502</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
December 31, 2008
(Dollars in thousands)

| | Amana Growth Fund | Amana Income Fund | American Balanced Fund® - Class R-3 | American Century Income & Growth Fund - A Class | Ariel Appreciation Fund |
|----------------------------------------|------------------------------|------------------------------|--------------------------------------------------------|------------------------------------------------------------------------|----------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 36 | \$ 46 | \$ 4,066 | \$ 3,705 | \$ 395 |
| Total assets | 36 | 46 | 4,066 | 3,705 | 395 |
| Net assets | <u>\$ 36</u> | <u>\$ 46</u> | <u>\$ 4,066</u> | <u>\$ 3,705</u> | <u>\$ 395</u> |
| Net assets | | | | | |
| Accumulation units | \$ 36 | \$ 46 | \$ 4,066 | \$ 3,705 | \$ 395 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | <u>\$ 36</u> | <u>\$ 46</u> | <u>\$ 4,066</u> | <u>\$ 3,705</u> | <u>\$ 395</u> |
| Total number of mutual fund shares | <u>2,252</u> | <u>1,973</u> | <u>296,140</u> | <u>200,293</u> | <u>18,155</u> |
| Cost of mutual fund shares | <u>\$ 35</u> | <u>\$ 45</u> | <u>\$ 5,379</u> | <u>\$ 6,001</u> | <u>\$ 740</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
December 31, 2008
(Dollars in thousands)

| | <u>Ariel Fund</u> | <u>Artisan International Fund - Investor Shares</u> | <u>The Bond Fund of AmericaSM, Inc. - Class R-4</u> | <u>Calvert Social Balanced Portfolio</u> | <u>ColumbiaSM Acorn Fund® - Class Z</u> |
|----------------------------------------|-------------------|-----------------------------------------------------------------|------------------------------------------------------------------------|--------------------------------------------------|------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 638 | \$ 324 | \$ 1,929 | \$ 35,890 | \$ 807 |
| Total assets | <u>638</u> | <u>324</u> | <u>1,929</u> | <u>35,890</u> | <u>807</u> |
| Net assets | <u>\$ 638</u> | <u>\$ 324</u> | <u>\$ 1,929</u> | <u>\$ 35,890</u> | <u>\$ 807</u> |
| Net assets | | | | | |
| Accumulation units | \$ 638 | \$ 324 | \$ 1,929 | \$ 35,806 | \$ 807 |
| Contracts in payout (annuitization) | - | - | - | 84 | - |
| Total net assets | <u>\$ 638</u> | <u>\$ 324</u> | <u>\$ 1,929</u> | <u>\$ 35,890</u> | <u>\$ 807</u> |
| Total number of mutual fund shares | <u>27,047</u> | <u>21,674</u> | <u>179,306</u> | <u>28,758,389</u> | <u>45,578</u> |
| Cost of mutual fund shares | <u>\$ 1,110</u> | <u>\$ 357</u> | <u>\$ 2,011</u> | <u>\$ 51,514</u> | <u>\$ 1,090</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
December 31, 2008
(Dollars in thousands)

| | Columbia Mid Cap Value Fund - Class A | Columbia Mid Cap Value Fund - Class Z | DWS Equity 500 Index Fund - Class S | EuroPacific Growth Fund® - Class R-3 | EuroPacific Growth Fund® - Class R-4 |
|----------------------------------------|------------------------------------------------------|------------------------------------------------------|----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 1,575 | \$ 561 | \$ 168 | \$ 7,252 | \$ 155,758 |
| Total assets | <u>1,575</u> | <u>561</u> | <u>168</u> | <u>7,252</u> | <u>155,758</u> |
| Net assets | <u>\$ 1,575</u> | <u>\$ 561</u> | <u>\$ 168</u> | <u>\$ 7,252</u> | <u>\$ 155,758</u> |
| Net assets | | | | | |
| Accumulation units | \$ 1,575 | \$ 561 | \$ 168 | \$ 7,252 | \$ 155,758 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | <u>\$ 1,575</u> | <u>\$ 561</u> | <u>\$ 168</u> | <u>\$ 7,252</u> | <u>\$ 155,758</u> |
| Total number of mutual fund shares | <u>186,602</u> | <u>66,395</u> | <u>1,661</u> | <u>263,145</u> | <u>5,651,599</u> |
| Cost of mutual fund shares | <u>\$ 1,636</u> | <u>\$ 755</u> | <u>\$ 246</u> | <u>\$ 11,736</u> | <u>\$ 243,590</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
December 31, 2008
(Dollars in thousands)

| | Evergreen Special Values Fund - Class A | Fidelity® VIP Equity-Income Portfolio - Initial Class | Fidelity® VIP Growth Portfolio - Initial Class | Fidelity® VIP High Income Portfolio - Initial Class | Fidelity® VIP Overseas Portfolio - Initial Class |
|----------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------------------------------|---------------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 62,156 | \$ 213,311 | \$ 159,095 | \$ 5,016 | \$ 29,665 |
| Total assets | <u>62,156</u> | <u>213,311</u> | <u>159,095</u> | <u>5,016</u> | <u>29,665</u> |
| Net assets | <u>\$ 62,156</u> | <u>\$ 213,311</u> | <u>\$ 159,095</u> | <u>\$ 5,016</u> | <u>\$ 29,665</u> |
| Net assets | | | | | |
| Accumulation units | \$ 62,156 | \$ 210,959 | \$ 158,680 | \$ 4,963 | \$ 29,665 |
| Contracts in payout (annuitization) | - | 2,352 | 415 | 53 | - |
| Total net assets | <u>\$ 62,156</u> | <u>\$ 213,311</u> | <u>\$ 159,095</u> | <u>\$ 5,016</u> | <u>\$ 29,665</u> |
| Total number of mutual fund shares | <u>4,520,448</u> | <u>16,184,445</u> | <u>6,761,370</u> | <u>1,266,693</u> | <u>2,437,530</u> |
| Cost of mutual fund shares | <u>\$ 114,060</u> | <u>\$ 367,250</u> | <u>\$ 233,146</u> | <u>\$ 7,576</u> | <u>\$ 50,466</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
December 31, 2008
(Dollars in thousands)

| | Fidelity® VIP Contrafund® Portfolio - Initial Class | Fidelity® VIP Index 500 Portfolio - Initial Class | Fidelity® VIP Mid Cap Portfolio - Initial Class | Fidelity® VIP Asset ManagerSM Portfolio - Initial Class | Mutual Discovery Fund - Class R |
|----------------------------------------|------------------------------------------------------------------------|----------------------------------------------------------------------|--------------------------------------------------------------------|-------------------------------------------------------------------------------------------|------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 722,264 | \$ 75,139 | \$ 8,006 | \$ 15,560 | \$ 2,067 |
| Total assets | <u>722,264</u> | <u>75,139</u> | <u>8,006</u> | <u>15,560</u> | <u>2,067</u> |
| Net assets | <u>\$ 722,264</u> | <u>\$ 75,139</u> | <u>\$ 8,006</u> | <u>\$ 15,560</u> | <u>\$ 2,067</u> |
| Net assets | | | | | |
| Accumulation units | \$ 716,222 | \$ 75,139 | \$ 8,006 | \$ 15,560 | \$ 2,067 |
| Contracts in payout (annuitization) | 6,042 | - | - | - | - |
| Total net assets | <u>\$ 722,264</u> | <u>\$ 75,139</u> | <u>\$ 8,006</u> | <u>\$ 15,560</u> | <u>\$ 2,067</u> |
| Total number of mutual fund shares | <u>46,930,763</u> | <u>757,528</u> | <u>434,395</u> | <u>1,509,230</u> | <u>93,432</u> |
| Cost of mutual fund shares | <u>\$ 1,220,513</u> | <u>\$ 95,693</u> | <u>\$ 13,413</u> | <u>\$ 21,551</u> | <u>\$ 2,751</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
December 31, 2008
(Dollars in thousands)

| | Franklin Small- Mid Cap Growth Fund - Class A | Franklin Small Cap Value Securities Fund - Class 2 | Fundamental Investors, Inc. - Class R-3 | Fundamental Investors, Inc. - Class R-4 | The Growth Fund of America® - Class R-3 |
|----------------------------------------|------------------------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 396 | \$ 63,473 | \$ 13 | \$ 8,280 | \$ 9,558 |
| Total assets | <u>396</u> | <u>63,473</u> | <u>13</u> | <u>8,280</u> | <u>9,558</u> |
| Net assets | <u>\$ 396</u> | <u>\$ 63,473</u> | <u>\$ 13</u> | <u>\$ 8,280</u> | <u>\$ 9,558</u> |
| Net assets | | | | | |
| Accumulation units | \$ 396 | \$ 62,506 | \$ 13 | \$ 8,280 | \$ 9,558 |
| Contracts in payout (annuitization) | - | 967 | - | - | - |
| Total net assets | <u>\$ 396</u> | <u>\$ 63,473</u> | <u>\$ 13</u> | <u>\$ 8,280</u> | <u>\$ 9,558</u> |
| Total number of mutual fund shares | <u>19,538</u> | <u>6,016,394</u> | <u>536</u> | <u>331,874</u> | <u>473,152</u> |
| Cost of mutual fund shares | <u>\$ 699</u> | <u>\$ 100,460</u> | <u>\$ 13</u> | <u>\$ 9,494</u> | <u>\$ 14,639</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
December 31, 2008
(Dollars in thousands)

| | The Growth Fund of America® - Class R-4 | The Income Fund of America® - Class R-3 | ING Financial Services Fund - Class A | ING Real Estate Fund - Class A | ING GNMA Income Fund - Class A |
|----------------------------------------|------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------|-------------------------------------------|-----------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 181,120 | \$ 1,535 | \$ 101 | \$ 1,357 | \$ 2,835 |
| Total assets | <u>181,120</u> | <u>1,535</u> | <u>101</u> | <u>1,357</u> | <u>2,835</u> |
| Net assets | <u>\$ 181,120</u> | <u>\$ 1,535</u> | <u>\$ 101</u> | <u>\$ 1,357</u> | <u>\$ 2,835</u> |
| Net assets | | | | | |
| Accumulation units | \$ 181,120 | \$ 1,535 | \$ 101 | \$ 1,357 | \$ 2,835 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | <u>\$ 181,120</u> | <u>\$ 1,535</u> | <u>\$ 101</u> | <u>\$ 1,357</u> | <u>\$ 2,835</u> |
| Total number of mutual fund shares | <u>8,913,377</u> | <u>117,612</u> | <u>10,165</u> | <u>155,920</u> | <u>328,840</u> |
| Cost of mutual fund shares | <u>\$ 266,400</u> | <u>\$ 2,205</u> | <u>\$ 191</u> | <u>\$ 2,486</u> | <u>\$ 2,740</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
December 31, 2008
(Dollars in thousands)

| | ING Intermediate Bond Fund - Class A | ING AllianceBernstein Mid Cap Growth Portfolio - Service Class | ING BlackRock Large Cap Growth Portfolio - Institutional Class | ING BlackRock Large Cap Growth Portfolio - Service Class | ING BlackRock Large Cap Growth Portfolio - Service 2 Class |
|----------------------------------------|---------------------------------------------------------|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 3,481 | \$ 2,033 | \$ 63,303 | \$ 86 | \$ 79 |
| Total assets | <u>3,481</u> | <u>2,033</u> | <u>63,303</u> | <u>86</u> | <u>79</u> |
| Net assets | <u>\$ 3,481</u> | <u>\$ 2,033</u> | <u>\$ 63,303</u> | <u>\$ 86</u> | <u>\$ 79</u> |
| Net assets | | | | | |
| Accumulation units | \$ 3,481 | \$ 2,033 | \$ 63,114 | \$ 86 | \$ 79 |
| Contracts in payout (annuitization) | - | - | 189 | - | - |
| Total net assets | <u>\$ 3,481</u> | <u>\$ 2,033</u> | <u>\$ 63,303</u> | <u>\$ 86</u> | <u>\$ 79</u> |
| Total number of mutual fund shares | <u>406,137</u> | <u>275,101</u> | <u>9,476,530</u> | <u>12,989</u> | <u>12,018</u> |
| Cost of mutual fund shares | <u>\$ 4,038</u> | <u>\$ 3,930</u> | <u>\$ 114,310</u> | <u>\$ 133</u> | <u>\$ 133</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
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(Dollars in thousands)

| | ING Evergreen Health Sciences Portfolio - Service Class | ING Evergreen Omega Portfolio - Service Class | ING FMRSM Diversified Mid Cap Portfolio - Service Class | ING Global Real Estate Portfolio - Institutional Class | ING Global Resources Portfolio - Institutional Class |
|----------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 7,198 | \$ 35 | \$ 21,437 | \$ 35,967 | \$ 25 |
| Total assets | <u>7,198</u> | <u>35</u> | <u>21,437</u> | <u>35,967</u> | <u>25</u> |
| Net assets | <u>\$ 7,198</u> | <u>\$ 35</u> | <u>\$ 21,437</u> | <u>\$ 35,967</u> | <u>\$ 25</u> |
| Net assets | | | | | |
| Accumulation units | \$ 7,198 | \$ 35 | \$ 21,437 | \$ 35,967 | \$ 25 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | <u>\$ 7,198</u> | <u>\$ 35</u> | <u>\$ 21,437</u> | <u>\$ 35,967</u> | <u>\$ 25</u> |
| Total number of mutual fund shares | <u>839,929</u> | <u>4,324</u> | <u>2,507,238</u> | <u>5,051,527</u> | <u>1,907</u> |
| Cost of mutual fund shares | <u>\$ 9,539</u> | <u>\$ 35</u> | <u>\$ 31,220</u> | <u>\$ 51,479</u> | <u>\$ 45</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
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(Dollars in thousands)

| | ING Global Resources Portfolio - Service Class | ING Janus Contrarian Portfolio - Service Class | ING JPMorgan Emerging Markets Equity Portfolio - Adviser Class | ING JPMorgan Emerging Markets Equity Portfolio - Institutional Class | ING JPMorgan Emerging Markets Equity Portfolio - Service Class |
|----------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 73,573 | \$ 7,405 | \$ 171 | \$ 18,447 | \$ 15,725 |
| Total assets | <u>73,573</u> | <u>7,405</u> | <u>171</u> | <u>18,447</u> | <u>15,725</u> |
| Net assets | <u>\$ 73,573</u> | <u>\$ 7,405</u> | <u>\$ 171</u> | <u>\$ 18,447</u> | <u>\$ 15,725</u> |
| Net assets | | | | | |
| Accumulation units | \$ 73,573 | \$ 7,405 | \$ 171 | \$ 18,447 | \$ 15,725 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | <u>\$ 73,573</u> | <u>\$ 7,405</u> | <u>\$ 171</u> | <u>\$ 18,447</u> | <u>\$ 15,725</u> |
| Total number of mutual fund shares | <u>5,646,393</u> | <u>948,134</u> | <u>14,515</u> | <u>1,532,173</u> | <u>1,309,341</u> |
| Cost of mutual fund shares | <u>\$ 129,673</u> | <u>\$ 13,120</u> | <u>\$ 289</u> | <u>\$ 30,996</u> | <u>\$ 28,453</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
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| | ING JPMorgan Small Cap Core Equity Portfolio - Service Class | ING JPMorgan Value Opportunities Portfolio - Institutional Class | ING JPMorgan Value Opportunities Portfolio - Service Class | ING Julius Baer Foreign Portfolio - Service Class | ING Legg Mason Value Portfolio - Service Class |
|----------------------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 2,129 | \$ 28 | \$ 1,126 | \$ 33,338 | \$ 1,448 |
| Total assets | <u>2,129</u> | <u>28</u> | <u>1,126</u> | <u>33,338</u> | <u>1,448</u> |
| Net assets | <u>\$ 2,129</u> | <u>\$ 28</u> | <u>\$ 1,126</u> | <u>\$ 33,338</u> | <u>\$ 1,448</u> |
| Net assets | | | | | |
| Accumulation units | \$ 2,129 | \$ 28 | \$ 1,126 | \$ 33,338 | \$ 1,448 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | <u>\$ 2,129</u> | <u>\$ 28</u> | <u>\$ 1,126</u> | <u>\$ 33,338</u> | <u>\$ 1,448</u> |
| Total number of mutual fund shares | <u>253,478</u> | <u>4,641</u> | <u>188,293</u> | <u>3,573,249</u> | <u>427,058</u> |
| Cost of mutual fund shares | <u>\$ 3,251</u> | <u>\$ 47</u> | <u>\$ 1,933</u> | <u>\$ 58,052</u> | <u>\$ 2,770</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
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| | ING Lord Abbott Affiliated Portfolio - Institutional Class | ING Lord Abbott Affiliated Portfolio - Service Class | ING Marsico Growth Portfolio - Institutional Class | ING Marsico Growth Portfolio - Service Class | ING Marsico International Opportunities Portfolio - Adviser Class |
|----------------------------------------|---------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|---------------------------------------------------------------------------|-----------------------------------------------------------------|------------------------------------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 73,160 | \$ 506 | \$ 5,214 | \$ 306 | \$ 65 |
| Total assets | <u>73,160</u> | <u>506</u> | <u>5,214</u> | <u>306</u> | <u>65</u> |
| Net assets | <u>\$ 73,160</u> | <u>\$ 506</u> | <u>\$ 5,214</u> | <u>\$ 306</u> | <u>\$ 65</u> |
| Net assets | | | | | |
| Accumulation units | \$ 72,217 | \$ 506 | \$ 5,214 | \$ 306 | \$ 65 |
| Contracts in payout (annuitization) | <u>943</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total net assets | <u>\$ 73,160</u> | <u>\$ 506</u> | <u>\$ 5,214</u> | <u>\$ 306</u> | <u>\$ 65</u> |
| Total number of mutual fund shares | <u>11,203,749</u> | <u>76,947</u> | <u>458,983</u> | <u>27,249</u> | <u>8,453</u> |
| Cost of mutual fund shares | <u>\$ 128,240</u> | <u>\$ 886</u> | <u>\$ 7,762</u> | <u>\$ 468</u> | <u>\$ 100</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
December 31, 2008
(Dollars in thousands)

| | ING Marsico International Opportunities Portfolio - Service Class | ING MFS Total Return Portfolio - Adviser Class | ING MFS Total Return Portfolio - Institutional Class | ING MFS Total Return Portfolio - Service Class | ING MFS Utilities Portfolio - Service Class |
|----------------------------------------|------------------------------------------------------------------------------------------|---------------------------------------------------------------|-------------------------------------------------------------------------|---------------------------------------------------------------|----------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 6,408 | \$ 497 | \$ 51,654 | \$ 22,350 | \$ 24,775 |
| Total assets | <u>6,408</u> | <u>497</u> | <u>51,654</u> | <u>22,350</u> | <u>24,775</u> |
| Net assets | <u>\$ 6,408</u> | <u>\$ 497</u> | <u>\$ 51,654</u> | <u>\$ 22,350</u> | <u>\$ 24,775</u> |
| Net assets | | | | | |
| Accumulation units | \$ 6,408 | \$ 497 | \$ 51,654 | \$ 22,350 | \$ 24,775 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | <u>\$ 6,408</u> | <u>\$ 497</u> | <u>\$ 51,654</u> | <u>\$ 22,350</u> | <u>\$ 24,775</u> |
| Total number of mutual fund shares | <u>836,526</u> | <u>41,782</u> | <u>4,351,615</u> | <u>1,878,142</u> | <u>2,605,205</u> |
| Cost of mutual fund shares | <u>\$ 11,963</u> | <u>\$ 672</u> | <u>\$ 74,984</u> | <u>\$ 32,828</u> | <u>\$ 40,960</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
December 31, 2008
(Dollars in thousands)

| | ING Oppenheimer Main Street Portfolio® - Service Class | ING PIMCO High Yield Portfolio - Institutional Class | ING PIMCO High Yield Portfolio - Service Class | ING Pioneer Equity Income Portfolio - Institutional Class | ING Pioneer Fund Portfolio - Institutional Class |
|----------------------------------------|-------------------------------------------------------------------------------|-----------------------------------------------------------------------------|-------------------------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 1,342 | \$ 609 | \$ 4,462 | \$ 111,368 | \$ 11,631 |
| Total assets | <u>1,342</u> | <u>609</u> | <u>4,462</u> | <u>111,368</u> | <u>11,631</u> |
| Net assets | <u>\$ 1,342</u> | <u>\$ 609</u> | <u>\$ 4,462</u> | <u>\$ 111,368</u> | <u>\$ 11,631</u> |
| Net assets | | | | | |
| Accumulation units | \$ 1,342 | \$ 609 | \$ 4,462 | \$ 109,331 | \$ 11,471 |
| Contracts in payout (annuitization) | - | - | - | 2,037 | 160 |
| Total net assets | <u>\$ 1,342</u> | <u>\$ 609</u> | <u>\$ 4,462</u> | <u>\$ 111,368</u> | <u>\$ 11,631</u> |
| Total number of mutual fund shares | <u>110,274</u> | <u>86,762</u> | <u>635,655</u> | <u>18,079,171</u> | <u>1,468,527</u> |
| Cost of mutual fund shares | <u>\$ 1,795</u> | <u>\$ 776</u> | <u>\$ 5,875</u> | <u>\$ 165,315</u> | <u>\$ 18,183</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
December 31, 2008
(Dollars in thousands)

| | ING Pioneer Fund Portfolio - Service Class | ING Pioneer Mid Cap Value Portfolio - Adviser Class | ING Pioneer Mid Cap Value Portfolio - Institutional Class | ING Pioneer Mid Cap Value Portfolio - Service Class | ING Stock Index Portfolio - Institutional Class |
|----------------------------------------|-----------------------------------------------------------|------------------------------------------------------------------------|----------------------------------------------------------------------------------|------------------------------------------------------------------------|--------------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 109 | \$ 2 | \$ 65,464 | \$ 204 | \$ 2,372 |
| Total assets | 109 | 2 | 65,464 | 204 | 2,372 |
| Net assets | <u>\$ 109</u> | <u>\$ 2</u> | <u>\$ 65,464</u> | <u>\$ 204</u> | <u>\$ 2,372</u> |
| Net assets | | | | | |
| Accumulation units | \$ 109 | \$ 2 | \$ 64,971 | \$ 204 | \$ 2,372 |
| Contracts in payout (annuitization) | - | - | 493 | - | - |
| Total net assets | <u>\$ 109</u> | <u>\$ 2</u> | <u>\$ 65,464</u> | <u>\$ 204</u> | <u>\$ 2,372</u> |
| Total number of mutual fund shares | <u>13,683</u> | <u>233</u> | <u>8,625,055</u> | <u>26,891</u> | <u>308,085</u> |
| Cost of mutual fund shares | <u>\$ 161</u> | <u>\$ 3</u> | <u>\$ 104,314</u> | <u>\$ 278</u> | <u>\$ 3,646</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
December 31, 2008
(Dollars in thousands)

| | ING T. Rowe Price Capital Appreciation Portfolio - Service Class | ING T. Rowe Price Equity Income Portfolio - Adviser Class | ING T. Rowe Price Equity Income Portfolio - Service Class | ING Templeton Global Growth Portfolio - Institutional Class | ING Templeton Global Growth Portfolio - Service Class |
|----------------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|----------------------------------------------------------------------------------|------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 158,868 | \$ 918 | \$ 74,508 | \$ 774 | \$ 2,110 |
| Total assets | <u>158,868</u> | <u>918</u> | <u>74,508</u> | <u>774</u> | <u>2,110</u> |
| Net assets | <u>\$ 158,868</u> | <u>\$ 918</u> | <u>\$ 74,508</u> | <u>\$ 774</u> | <u>\$ 2,110</u> |
| Net assets | | | | | |
| Accumulation units | \$ 158,868 | \$ 918 | \$ 74,508 | \$ 774 | \$ 2,110 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | <u>\$ 158,868</u> | <u>\$ 918</u> | <u>\$ 74,508</u> | <u>\$ 774</u> | <u>\$ 2,110</u> |
| Total number of mutual fund shares | <u>10,302,742</u> | <u>109,173</u> | <u>8,807,089</u> | <u>94,300</u> | <u>256,387</u> |
| Cost of mutual fund shares | <u>\$ 246,047</u> | <u>\$ 1,498</u> | <u>\$ 117,288</u> | <u>\$ 1,294</u> | <u>\$ 3,455</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
December 31, 2008
(Dollars in thousands)

| | ING Van Kampen Capital Growth - Institutional Class | ING Van Kampen Capital Growth Portfolio - Service Class | ING Van Kampen Growth and Income Portfolio - Service Class | ING Van Kampen Real Estate Portfolio - Institutional Class | ING Van Kampen Real Estate Portfolio - Service Class |
|----------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 362 | \$ 145 | \$ 13,111 | \$ 724 | \$ 17,289 |
| Total assets | <u>362</u> | <u>145</u> | <u>13,111</u> | <u>724</u> | <u>17,289</u> |
| Net assets | <u>\$ 362</u> | <u>\$ 145</u> | <u>\$ 13,111</u> | <u>\$ 724</u> | <u>\$ 17,289</u> |
| Net assets | | | | | |
| Accumulation units | \$ 359 | \$ 145 | \$ 13,111 | \$ - | \$ 17,289 |
| Contracts in payout (annuitization) | <u>3</u> | <u>-</u> | <u>-</u> | <u>724</u> | <u>-</u> |
| Total net assets | <u>\$ 362</u> | <u>\$ 145</u> | <u>\$ 13,111</u> | <u>\$ 724</u> | <u>\$ 17,289</u> |
| Total number of mutual fund shares | <u>52,199</u> | <u>21,054</u> | <u>830,355</u> | <u>51,174</u> | <u>1,227,902</u> |
| Cost of mutual fund shares | <u>\$ 456</u> | <u>\$ 268</u> | <u>\$ 20,779</u> | <u>\$ 1,561</u> | <u>\$ 35,975</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
December 31, 2008
(Dollars in thousands)

| | ING VP Index Plus International Equity Portfolio - Institutional Class | ING VP Index Plus International Equity Portfolio - Service Class | ING Wells Fargo Small Cap Disciplined Portfolio - Service Class | ING International Growth Opportunities Fund - Class Q | ING International SmallCap Multi-Manager Fund - Class A |
|----------------------------------------|---------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 11,371 | \$ 2,933 | \$ 947 | \$ 7 | \$ 1,261 |
| Total assets | <u>11,371</u> | <u>2,933</u> | <u>947</u> | <u>7</u> | <u>1,261</u> |
| Net assets | <u>\$ 11,371</u> | <u>\$ 2,933</u> | <u>\$ 947</u> | <u>\$ 7</u> | <u>\$ 1,261</u> |
| Net assets | | | | | |
| Accumulation units | \$ 10,823 | \$ 2,933 | \$ 947 | \$ 7 | \$ 1,261 |
| Contracts in payout (annuitization) | 548 | - | - | - | - |
| Total net assets | <u>\$ 11,371</u> | <u>\$ 2,933</u> | <u>\$ 947</u> | <u>\$ 7</u> | <u>\$ 1,261</u> |
| Total number of mutual fund shares | <u>2,203,711</u> | <u>569,601</u> | <u>151,321</u> | <u>1,260</u> | <u>55,950</u> |
| Cost of mutual fund shares | <u>\$ 24,460</u> | <u>\$ 6,297</u> | <u>\$ 1,232</u> | <u>\$ 15</u> | <u>\$ 2,694</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
December 31, 2008
(Dollars in thousands)

| | ING American Century Large Company Value Portfolio - Adviser Class | ING American Century Large Company Value Portfolio - Service Class | ING American Century Small- Mid Cap Value Portfolio - Adviser Class | ING American Century Small- Mid Cap Value Portfolio - Service Class | ING Baron Asset Portfolio - Service Class |
|----------------------------------------|-------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|----------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 78 | \$ 2,817 | \$ 39 | \$ 22,075 | \$ 2,126 |
| Total assets | 78 | 2,817 | 39 | 22,075 | 2,126 |
| Net assets | <u>\$ 78</u> | <u>\$ 2,817</u> | <u>\$ 39</u> | <u>\$ 22,075</u> | <u>\$ 2,126</u> |
| Net assets | | | | | |
| Accumulation units | \$ 78 | \$ 2,762 | \$ 39 | \$ 21,853 | \$ 2,126 |
| Contracts in payout (annuitization) | - | 55 | - | 222 | - |
| Total net assets | <u>\$ 78</u> | <u>\$ 2,817</u> | <u>\$ 39</u> | <u>\$ 22,075</u> | <u>\$ 2,126</u> |
| Total number of mutual fund shares | <u>16,887</u> | <u>603,307</u> | <u>5,333</u> | <u>3,007,493</u> | <u>302,850</u> |
| Cost of mutual fund shares | <u>\$ 157</u> | <u>\$ 5,805</u> | <u>\$ 55</u> | <u>\$ 34,224</u> | <u>\$ 3,451</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
December 31, 2008
(Dollars in thousands)

| | ING Baron Small Cap Growth Portfolio - Adviser Class | ING Baron Small Cap Growth Portfolio - Service Class | ING Columbia Small Cap Value II Portfolio - Service Class | ING Davis New York Venture Portfolio - Service Class | ING Fidelity® VIP Mid Cap Portfolio - Service Class |
|----------------------------------------|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------|----------------------------------------------------------------------------------|-------------------------------------------------------------------------|------------------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 216 | \$ 66,236 | \$ 953 | \$ 8,589 | \$ 6,707 |
| Total assets | 216 | 66,236 | 953 | 8,589 | 6,707 |
| Net assets | <u>\$ 216</u> | <u>\$ 66,236</u> | <u>\$ 953</u> | <u>\$ 8,589</u> | <u>\$ 6,707</u> |
| Net assets | | | | | |
| Accumulation units | \$ 216 | \$ 65,732 | \$ 953 | \$ 8,333 | \$ 6,707 |
| Contracts in payout (annuitization) | - | 504 | - | 256 | - |
| Total net assets | <u>\$ 216</u> | <u>\$ 66,236</u> | <u>\$ 953</u> | <u>\$ 8,589</u> | <u>\$ 6,707</u> |
| Total number of mutual fund shares | <u>19,865</u> | <u>5,977,936</u> | <u>139,758</u> | <u>705,142</u> | <u>755,297</u> |
| Cost of mutual fund shares | <u>\$ 326</u> | <u>\$ 95,544</u> | <u>\$ 1,358</u> | <u>\$ 12,697</u> | <u>\$ 10,705</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
December 31, 2008
(Dollars in thousands)

| | ING Index Solution 2015 Portfolio - Adviser Class | ING Index Solution 2025 Portfolio - Adviser Class | ING Index Solution 2035 Portfolio - Adviser Class | ING Index Solution 2045 Portfolio - Adviser Class | ING Index Solution Income Portfolio - Adviser Class |
|----------------------------------------|----------------------------------------------------------------------|----------------------------------------------------------------------|----------------------------------------------------------------------|----------------------------------------------------------------------|------------------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 37 | \$ 81 | \$ 51 | \$ 6 | \$ 1 |
| Total assets | <u>37</u> | <u>81</u> | <u>51</u> | <u>6</u> | <u>1</u> |
| Net assets | <u>\$ 37</u> | <u>\$ 81</u> | <u>\$ 51</u> | <u>\$ 6</u> | <u>\$ 1</u> |
| Net assets | | | | | |
| Accumulation units | \$ 37 | \$ 81 | \$ 51 | \$ 6 | \$ 1 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | <u>\$ 37</u> | <u>\$ 81</u> | <u>\$ 51</u> | <u>\$ 6</u> | <u>\$ 1</u> |
| Total number of mutual fund shares | <u>4,418</u> | <u>10,446</u> | <u>6,842</u> | <u>880</u> | <u>107</u> |
| Cost of mutual fund shares | <u>\$ 36</u> | <u>\$ 79</u> | <u>\$ 50</u> | <u>\$ 6</u> | <u>\$ 1</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
December 31, 2008
(Dollars in thousands)

| | ING JPMorgan Mid Cap Value Portfolio - Adviser Class | ING JPMorgan Mid Cap Value Portfolio - Service Class | ING Legg Mason Partners Aggressive Growth Portfolio - Adviser Class | ING Legg Mason Partners Aggressive Growth Portfolio - Initial Class | ING Legg Mason Partners Aggressive Growth Portfolio - Service Class |
|----------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 245 | \$ 21,120 | \$ 60 | \$ 84,378 | \$ 120 |
| Total assets | 245 | 21,120 | 60 | 84,378 | 120 |
| Net assets | <u>\$ 245</u> | <u>\$ 21,120</u> | <u>\$ 60</u> | <u>\$ 84,378</u> | <u>\$ 120</u> |
| Net assets | | | | | |
| Accumulation units | \$ 245 | \$ 20,508 | \$ 60 | \$ 84,259 | \$ 120 |
| Contracts in payout (annuitization) | - | 612 | - | 119 | - |
| Total net assets | <u>\$ 245</u> | <u>\$ 21,120</u> | <u>\$ 60</u> | <u>\$ 84,378</u> | <u>\$ 120</u> |
| Total number of mutual fund shares | <u>26,528</u> | <u>2,273,437</u> | <u>2,098</u> | <u>2,872,944</u> | <u>4,149</u> |
| Cost of mutual fund shares | <u>\$ 361</u> | <u>\$ 33,201</u> | <u>\$ 93</u> | <u>\$ 119,107</u> | <u>\$ 183</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
December 31, 2008
(Dollars in thousands)

| | ING Neuberger Berman Partners Portfolio - Service Class | ING Oppenheimer Global Portfolio - Adviser Class | ING Oppenheimer Global Portfolio - Initial Class | ING Oppenheimer Global Portfolio - Service Class | ING Oppenheimer Strategic Income Portfolio - Adviser Class |
|----------------------------------------|--------------------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 1,966 | \$ 238 | \$ 423,940 | \$ 267 | \$ 258 |
| Total assets | <u>1,966</u> | <u>238</u> | <u>423,940</u> | <u>267</u> | <u>258</u> |
| Net assets | <u>\$ 1,966</u> | <u>\$ 238</u> | <u>\$ 423,940</u> | <u>\$ 267</u> | <u>\$ 258</u> |
| Net assets | | | | | |
| Accumulation units | \$ 1,966 | \$ 238 | \$ 422,024 | \$ 267 | \$ 258 |
| Contracts in payout (annuitization) | - | - | 1,916 | - | - |
| Total net assets | <u>\$ 1,966</u> | <u>\$ 238</u> | <u>\$ 423,940</u> | <u>\$ 267</u> | <u>\$ 258</u> |
| Total number of mutual fund shares | <u>358,800</u> | <u>27,074</u> | <u>46,689,450</u> | <u>30,222</u> | <u>29,071</u> |
| Cost of mutual fund shares | <u>\$ 3,692</u> | <u>\$ 394</u> | <u>\$ 593,237</u> | <u>\$ 457</u> | <u>\$ 316</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
December 31, 2008
(Dollars in thousands)

| | ING Oppenheimer Strategic Income Portfolio - Initial Class | ING Oppenheimer Strategic Income Portfolio - Service Class | ING PIMCO Total Return Portfolio - Adviser Class | ING PIMCO Total Return Portfolio - Service Class | ING Pioneer High Yield Portfolio - Initial Class |
|----------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 109,367 | \$ 216 | \$ 870 | \$ 104,849 | \$ 3,967 |
| Total assets | <u>109,367</u> | <u>216</u> | <u>870</u> | <u>104,849</u> | <u>3,967</u> |
| Net assets | <u>\$ 109,367</u> | <u>\$ 216</u> | <u>\$ 870</u> | <u>\$ 104,849</u> | <u>\$ 3,967</u> |
| Net assets | | | | | |
| Accumulation units | \$ 107,442 | \$ 204 | \$ 870 | \$ 102,645 | \$ 3,786 |
| Contracts in payout (annuitization) | <u>1,925</u> | <u>12</u> | <u>-</u> | <u>2,204</u> | <u>181</u> |
| Total net assets | <u>\$ 109,367</u> | <u>\$ 216</u> | <u>\$ 870</u> | <u>\$ 104,849</u> | <u>\$ 3,967</u> |
| Total number of mutual fund shares | <u>12,206,158</u> | <u>24,098</u> | <u>79,737</u> | <u>9,523,059</u> | <u>609,350</u> |
| Cost of mutual fund shares | <u>\$ 127,117</u> | <u>\$ 245</u> | <u>\$ 914</u> | <u>\$ 107,673</u> | <u>\$ 5,947</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
December 31, 2008
(Dollars in thousands)

| | ING Pioneer High Yield Portfolio - Service Class | ING Solution 2015 Portfolio - Adviser Class | ING Solution 2015 Portfolio - Service Class | ING Solution 2025 Portfolio - Adviser Class | ING Solution 2025 Portfolio - Service Class |
|----------------------------------------|---------------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 81 | \$ 10,621 | \$ 28,425 | \$ 12,028 | \$ 37,936 |
| Total assets | 81 | 10,621 | 28,425 | 12,028 | 37,936 |
| Net assets | <u>\$ 81</u> | <u>\$ 10,621</u> | <u>\$ 28,425</u> | <u>\$ 12,028</u> | <u>\$ 37,936</u> |
| Net assets | | | | | |
| Accumulation units | \$ 81 | \$ 10,621 | \$ 28,425 | \$ 12,028 | \$ 37,936 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | <u>\$ 81</u> | <u>\$ 10,621</u> | <u>\$ 28,425</u> | <u>\$ 12,028</u> | <u>\$ 37,936</u> |
| Total number of mutual fund shares | <u>12,488</u> | <u>1,230,712</u> | <u>3,259,782</u> | <u>1,490,446</u> | <u>4,654,780</u> |
| Cost of mutual fund shares | <u>\$ 125</u> | <u>\$ 14,275</u> | <u>\$ 38,058</u> | <u>\$ 17,700</u> | <u>\$ 54,516</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
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(Dollars in thousands)

| | ING Solution 2035 Portfolio - Adviser Class | ING Solution 2035 Portfolio - Service Class | ING Solution 2045 Portfolio - Adviser Class | ING Solution 2045 Portfolio - Service Class | ING Solution Growth and Income Portfolio - Service Class |
|----------------------------------------|------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|---------------------------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 9,767 | \$ 27,711 | \$ 6,465 | \$ 17,688 | \$ 625 |
| Total assets | <u>9,767</u> | <u>27,711</u> | <u>6,465</u> | <u>17,688</u> | <u>625</u> |
| Net assets | <u>\$ 9,767</u> | <u>\$ 27,711</u> | <u>\$ 6,465</u> | <u>\$ 17,688</u> | <u>\$ 625</u> |
| Net assets | | | | | |
| Accumulation units | \$ 9,767 | \$ 27,711 | \$ 6,465 | \$ 17,688 | \$ 625 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | <u>\$ 9,767</u> | <u>\$ 27,711</u> | <u>\$ 6,465</u> | <u>\$ 17,688</u> | <u>\$ 625</u> |
| Total number of mutual fund shares | <u>1,230,150</u> | <u>3,455,199</u> | <u>820,419</u> | <u>2,227,745</u> | <u>81,823</u> |
| Cost of mutual fund shares | <u>\$ 14,915</u> | <u>\$ 41,018</u> | <u>\$ 10,285</u> | <u>\$ 26,784</u> | <u>\$ 632</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
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(Dollars in thousands)

| | ING Solution Growth Portfolio - Service Class | ING Solution Income Portfolio - Adviser Class | ING Solution Income Portfolio - Service Class | ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Adviser Class | ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Initial Class |
|----------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 174 | \$ 8,109 | \$ 6,949 | \$ 212 | \$ 200,073 |
| Total assets | 174 | 8,109 | 6,949 | 212 | 200,073 |
| Net assets | <u>\$ 174</u> | <u>\$ 8,109</u> | <u>\$ 6,949</u> | <u>\$ 212</u> | <u>\$ 200,073</u> |
| Net assets | | | | | |
| Accumulation units | \$ 174 | \$ 8,109 | \$ 6,949 | \$ 212 | \$ 199,575 |
| Contracts in payout (annuitization) | - | - | - | - | 498 |
| Total net assets | <u>\$ 174</u> | <u>\$ 8,109</u> | <u>\$ 6,949</u> | <u>\$ 212</u> | <u>\$ 200,073</u> |
| Total number of mutual fund shares | <u>25,879</u> | <u>874,716</u> | <u>741,644</u> | <u>47,795</u> | <u>43,494,071</u> |
| Cost of mutual fund shares | <u>\$ 181</u> | <u>\$ 9,766</u> | <u>\$ 8,344</u> | <u>\$ 392</u> | <u>\$ 334,643</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
December 31, 2008
(Dollars in thousands)

| | ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Service Class | ING T. Rowe Price Growth Equity Portfolio - Adviser Class | ING T. Rowe Price Growth Equity Portfolio - Initial Class | ING T. Rowe Price Growth Equity Portfolio - Service Class | ING Templeton Foreign Equity Portfolio - Adviser Class |
|----------------------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|------------------------------------------------------------------------------|------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 272 | \$ 743 | \$ 141,775 | \$ 1,018 | \$ 143 |
| Total assets | 272 | 743 | 141,775 | 1,018 | 143 |
| Net assets | <u>\$ 272</u> | <u>\$ 743</u> | <u>\$ 141,775</u> | <u>\$ 1,018</u> | <u>\$ 143</u> |
| Net assets | | | | | |
| Accumulation units | \$ 272 | \$ 743 | \$ 141,038 | \$ 1,018 | \$ 143 |
| Contracts in payout (annuitization) | - | - | 737 | - | - |
| Total net assets | <u>\$ 272</u> | <u>\$ 743</u> | <u>\$ 141,775</u> | <u>\$ 1,018</u> | <u>\$ 143</u> |
| Total number of mutual fund shares | <u>60,093</u> | <u>22,982</u> | <u>4,338,292</u> | <u>31,360</u> | <u>18,167</u> |
| Cost of mutual fund shares | <u>\$ 499</u> | <u>\$ 1,226</u> | <u>\$ 199,711</u> | <u>\$ 1,645</u> | <u>\$ 219</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
December 31, 2008
(Dollars in thousands)

| | ING Templeton Foreign Equity Portfolio - Initial Class | ING Templeton Foreign Equity Portfolio - Service Class | ING Thornburg Value Portfolio - Adviser Class | ING Thornburg Value Portfolio - Initial Class | ING UBS U.S. Large Cap Equity Portfolio - Adviser Class |
|----------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|----------------------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 75,608 | \$ 40 | \$ 295 | \$ 61,486 | \$ 43 |
| Total assets | <u>75,608</u> | <u>40</u> | <u>295</u> | <u>61,486</u> | <u>43</u> |
| Net assets | <u>\$ 75,608</u> | <u>\$ 40</u> | <u>\$ 295</u> | <u>\$ 61,486</u> | <u>\$ 43</u> |
| Net assets | | | | | |
| Accumulation units | \$ 74,216 | \$ 40 | \$ 295 | \$ 61,069 | \$ 43 |
| Contracts in payout (annuitization) | <u>1,392</u> | <u>-</u> | <u>-</u> | <u>417</u> | <u>-</u> |
| Total net assets | <u>\$ 75,608</u> | <u>\$ 40</u> | <u>\$ 295</u> | <u>\$ 61,486</u> | <u>\$ 43</u> |
| Total number of mutual fund shares | <u>9,607,155</u> | <u>5,124</u> | <u>14,764</u> | <u>3,016,954</u> | <u>6,992</u> |
| Cost of mutual fund shares | <u>\$ 123,712</u> | <u>\$ 57</u> | <u>\$ 492</u> | <u>\$ 83,823</u> | <u>\$ 67</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
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(Dollars in thousands)

| | ING UBS U.S. Large Cap Equity Portfolio - Initial Class | ING UBS U.S. Large Cap Equity Portfolio - Service Class | ING Van Kampen Comstock Portfolio - Adviser Class | ING Van Kampen Comstock Portfolio - Service Class | ING Van Kampen Equity and Income Portfolio - Adviser Class |
|----------------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 64,277 | \$ 6 | \$ 206 | \$ 42,974 | \$ 308 |
| Total assets | 64,277 | 6 | 206 | 42,974 | 308 |
| Net assets | <u>\$ 64,277</u> | <u>\$ 6</u> | <u>\$ 206</u> | <u>\$ 42,974</u> | <u>\$ 308</u> |
| Net assets | | | | | |
| Accumulation units | \$ 63,812 | \$ 6 | \$ 206 | \$ 41,813 | \$ 308 |
| Contracts in payout (annuitization) | 465 | - | - | 1,161 | - |
| Total net assets | <u>\$ 64,277</u> | <u>\$ 6</u> | <u>\$ 206</u> | <u>\$ 42,974</u> | <u>\$ 308</u> |
| Total number of mutual fund shares | <u>10,367,269</u> | <u>938</u> | <u>29,103</u> | <u>6,035,702</u> | <u>12,119</u> |
| Cost of mutual fund shares | <u>\$ 88,674</u> | <u>\$ 9</u> | <u>\$ 321</u> | <u>\$ 71,304</u> | <u>\$ 425</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
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(Dollars in thousands)

| | ING Van Kampen Equity and Income Portfolio - Initial Class | ING Van Kampen Equity and Income Portfolio - Service Class | ING VP Strategic Allocation Conservative Portfolio - Class I | ING VP Strategic Allocation Growth Portfolio - Class I | ING VP Strategic Allocation Moderate Portfolio - Class I |
|----------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 216,996 | \$ 157 | \$ 25,840 | \$ 48,875 | \$ 46,525 |
| Total assets | <u>216,996</u> | <u>157</u> | <u>25,840</u> | <u>48,875</u> | <u>46,525</u> |
| Net assets | <u>\$ 216,996</u> | <u>\$ 157</u> | <u>\$ 25,840</u> | <u>\$ 48,875</u> | <u>\$ 46,525</u> |
| Net assets | | | | | |
| Accumulation units | \$ 214,042 | \$ 157 | \$ 25,043 | \$ 48,311 | \$ 45,565 |
| Contracts in payout (annuitization) | <u>2,954</u> | <u>-</u> | <u>797</u> | <u>564</u> | <u>960</u> |
| Total net assets | <u>\$ 216,996</u> | <u>\$ 157</u> | <u>\$ 25,840</u> | <u>\$ 48,875</u> | <u>\$ 46,525</u> |
| Total number of mutual fund shares | <u>8,427,011</u> | <u>6,147</u> | <u>2,827,144</u> | <u>5,400,536</u> | <u>5,112,678</u> |
| Cost of mutual fund shares | <u>\$ 282,648</u> | <u>\$ 223</u> | <u>\$ 35,816</u> | <u>\$ 75,174</u> | <u>\$ 69,626</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
December 31, 2008
(Dollars in thousands)

| | ING VP Growth and Income Portfolio - Class A | ING VP Growth and Income Portfolio - Class I | ING VP Growth and Income Portfolio - Class S | ING GET U.S. Core Portfolio - Series 3 | ING GET U.S. Core Portfolio - Series 5 |
|----------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds at fair value | \$ 371 | \$ 926,638 | \$ 305 | \$ 17,658 | \$ 481 |
| Total assets | 371 | 926,638 | 305 | 17,658 | 481 |
| Net assets | <u>\$ 371</u> | <u>\$ 926,638</u> | <u>\$ 305</u> | <u>\$ 17,658</u> | <u>\$ 481</u> |
| Net assets | | | | | |
| Accumulation units | \$ 371 | \$ 848,439 | \$ 305 | \$ 17,658 | \$ 481 |
| Contracts in payout (annuitization) | - | 78,199 | - | - | - |
| Total net assets | <u>\$ 371</u> | <u>\$ 926,638</u> | <u>\$ 305</u> | <u>\$ 17,658</u> | <u>\$ 481</u> |
| Total number of mutual fund shares | <u>24,664</u> | <u>61,326,149</u> | <u>20,354</u> | <u>1,860,666</u> | <u>60,839</u> |
| Cost of mutual fund shares | <u>\$ 510</u> | <u>\$ 1,541,047</u> | <u>\$ 461</u> | <u>\$ 18,574</u> | <u>\$ 590</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
December 31, 2008
(Dollars in thousands)

| | ING GET U.S. Core Portfolio - Series 6 | ING GET U.S. Core Portfolio - Series 7 | ING GET U.S. Core Portfolio - Series 8 | ING GET U.S. Core Portfolio - Series 9 | ING GET U.S. Core Portfolio - Series 10 |
|----------------------------------------|-------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|--------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 2,235 | \$ 2,036 | \$ 774 | \$ 142 | \$ 70 |
| Total assets | <u>2,235</u> | <u>2,036</u> | <u>774</u> | <u>142</u> | <u>70</u> |
| Net assets | <u>\$ 2,235</u> | <u>\$ 2,036</u> | <u>\$ 774</u> | <u>\$ 142</u> | <u>\$ 70</u> |
| Net assets | | | | | |
| Accumulation units | \$ 2,235 | \$ 2,036 | \$ 774 | \$ 142 | \$ 70 |
| Contracts in payout (annuitization) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total net assets | <u>\$ 2,235</u> | <u>\$ 2,036</u> | <u>\$ 774</u> | <u>\$ 142</u> | <u>\$ 70</u> |
| Total number of mutual fund shares | <u>274,253</u> | <u>254,131</u> | <u>97,087</u> | <u>17,845</u> | <u>8,422</u> |
| Cost of mutual fund shares | <u>\$ 2,672</u> | <u>\$ 2,450</u> | <u>\$ 939</u> | <u>\$ 171</u> | <u>\$ 82</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
December 31, 2008
(Dollars in thousands)

| | ING GET U.S. Core Portfolio - Series 11 | ING BlackRock Global Science and Technology Portfolio - Class I | ING International Index Portfolio - Class I | ING Lehman Brothers U.S. Aggregate Bond Index® Portfolio - Class I | ING Opportunistic Large Cap Growth Portfolio - Class I |
|----------------------------------------|--------------------------------------------------------|----------------------------------------------------------------------------------------|----------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 32 | \$ 23,396 | \$ 220 | \$ 1,559 | \$ 30,414 |
| Total assets | 32 | 23,396 | 220 | 1,559 | 30,414 |
| Net assets | <u>\$ 32</u> | <u>\$ 23,396</u> | <u>\$ 220</u> | <u>\$ 1,559</u> | <u>\$ 30,414</u> |
| Net assets | | | | | |
| Accumulation units | \$ 32 | \$ 23,396 | \$ 220 | \$ 1,559 | \$ 30,217 |
| Contracts in payout (annuitization) | - | - | - | - | 197 |
| Total net assets | <u>\$ 32</u> | <u>\$ 23,396</u> | <u>\$ 220</u> | <u>\$ 1,559</u> | <u>\$ 30,414</u> |
| Total number of mutual fund shares | <u>3,847</u> | <u>7,133,002</u> | <u>34,346</u> | <u>154,050</u> | <u>4,369,887</u> |
| Cost of mutual fund shares | <u>\$ 37</u> | <u>\$ 31,297</u> | <u>\$ 219</u> | <u>\$ 1,528</u> | <u>\$ 38,731</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
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(Dollars in thousands)

| | ING Opportunistic Large Cap Value Portfolio - Class I | ING Russell™ Large Cap Index Portfolio - Class I | ING Russell™ Mid Cap Index Portfolio - Class I | ING Russell™ Small Cap Index Portfolio - Class I | ING VP Index Plus LargeCap Portfolio - Class I |
|----------------------------------------|------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 44,326 | \$ 2,675 | \$ 1,329 | \$ 635 | \$ 247,468 |
| Total assets | 44,326 | 2,675 | 1,329 | 635 | 247,468 |
| Net assets | <u>\$ 44,326</u> | <u>\$ 2,675</u> | <u>\$ 1,329</u> | <u>\$ 635</u> | <u>\$ 247,468</u> |
| Net assets | | | | | |
| Accumulation units | \$ 44,279 | \$ 2,675 | \$ 1,329 | \$ 635 | \$ 244,572 |
| Contracts in payout (annuitization) | 47 | - | - | - | 2,896 |
| Total net assets | <u>\$ 44,326</u> | <u>\$ 2,675</u> | <u>\$ 1,329</u> | <u>\$ 635</u> | <u>\$ 247,468</u> |
| Total number of mutual fund shares | <u>5,124,416</u> | <u>371,052</u> | <u>200,452</u> | <u>81,883</u> | <u>23,703,860</u> |
| Cost of mutual fund shares | <u>\$ 61,278</u> | <u>\$ 2,735</u> | <u>\$ 1,327</u> | <u>\$ 793</u> | <u>\$ 321,349</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
December 31, 2008
(Dollars in thousands)

| | ING VP Index Plus LargeCap Portfolio - Class S | ING VP Index Plus MidCap Portfolio - Class I | ING VP Index Plus MidCap Portfolio - Class S | ING VP Index Plus SmallCap Portfolio - Class I | ING VP Index Plus SmallCap Portfolio - Class S |
|----------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 325 | \$ 212,512 | \$ 260 | \$ 85,771 | \$ 58 |
| Total assets | 325 | 212,512 | 260 | 85,771 | 58 |
| Net assets | <u>\$ 325</u> | <u>\$ 212,512</u> | <u>\$ 260</u> | <u>\$ 85,771</u> | <u>\$ 58</u> |
| Net assets | | | | | |
| Accumulation units | \$ 325 | \$ 211,588 | \$ 260 | \$ 85,160 | \$ 58 |
| Contracts in payout (annuitization) | - | 924 | - | 611 | - |
| Total net assets | <u>\$ 325</u> | <u>\$ 212,512</u> | <u>\$ 260</u> | <u>\$ 85,771</u> | <u>\$ 58</u> |
| Total number of mutual fund shares | <u>31,416</u> | <u>21,379,487</u> | <u>26,511</u> | <u>9,114,925</u> | <u>6,224</u> |
| Cost of mutual fund shares | <u>\$ 461</u> | <u>\$ 351,940</u> | <u>\$ 397</u> | <u>\$ 142,192</u> | <u>\$ 77</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
December 31, 2008
(Dollars in thousands)

| | ING VP Small Company Portfolio - Class I | ING VP Small Company Portfolio - Class S | ING VP International Value Portfolio - Class I | ING VP International Value Portfolio - Class S | ING VP MidCap Opportunities Portfolio - Class I |
|----------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 86,261 | \$ 100 | \$ 84,985 | \$ 248 | \$ 8,648 |
| Total assets | <u>86,261</u> | <u>100</u> | <u>84,985</u> | <u>248</u> | <u>8,648</u> |
| Net assets | <u>\$ 86,261</u> | <u>\$ 100</u> | <u>\$ 84,985</u> | <u>\$ 248</u> | <u>\$ 8,648</u> |
| Net assets | | | | | |
| Accumulation units | \$ 85,238 | \$ 100 | \$ 83,166 | \$ 248 | \$ 8,648 |
| Contracts in payout (annuitization) | <u>1,023</u> | <u>-</u> | <u>1,819</u> | <u>-</u> | <u>-</u> |
| Total net assets | <u>\$ 86,261</u> | <u>\$ 100</u> | <u>\$ 84,985</u> | <u>\$ 248</u> | <u>\$ 8,648</u> |
| Total number of mutual fund shares | <u>7,372,764</u> | <u>8,666</u> | <u>12,553,214</u> | <u>35,832</u> | <u>1,351,228</u> |
| Cost of mutual fund shares | <u>\$ 137,055</u> | <u>\$ 143</u> | <u>\$ 162,722</u> | <u>\$ 433</u> | <u>\$ 12,092</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
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(Dollars in thousands)

| | ING VP MidCap Opportunities Portfolio - Class S | ING VP SmallCap Opportunities Portfolio - Class I | ING VP SmallCap Opportunities Portfolio - Class S | ING VP Balanced Portfolio - Class I | ING VP Intermediate Bond Portfolio - Class I |
|----------------------------------------|------------------------------------------------------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------------------|--------------------------------------------------------|-----------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 108 | \$ 8,367 | \$ 47 | \$ 314,926 | \$ 350,384 |
| Total assets | 108 | 8,367 | 47 | 314,926 | 350,384 |
| Net assets | <u>\$ 108</u> | <u>\$ 8,367</u> | <u>\$ 47</u> | <u>\$ 314,926</u> | <u>\$ 350,384</u> |
| Net assets | | | | | |
| Accumulation units | \$ 108 | \$ 8,367 | \$ 47 | \$ 297,925 | \$ 344,443 |
| Contracts in payout (annuitization) | - | - | - | 17,001 | 5,941 |
| Total net assets | <u>\$ 108</u> | <u>\$ 8,367</u> | <u>\$ 47</u> | <u>\$ 314,926</u> | <u>\$ 350,384</u> |
| Total number of mutual fund shares | <u>17,148</u> | <u>681,911</u> | <u>3,873</u> | <u>34,305,617</u> | <u>31,623,122</u> |
| Cost of mutual fund shares | <u>\$ 147</u> | <u>\$ 13,005</u> | <u>\$ 65</u> | <u>\$ 445,705</u> | <u>\$ 420,367</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
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| | ING VP Intermediate Bond Portfolio - Class S | ING VP Money Market Portfolio - Class I | Janus Aspen Series Balanced Portfolio - Institutional Shares | Janus Aspen Series Flexible Bond Portfolio - Institutional Shares | Janus Aspen Series Large Cap Growth Portfolio - Institutional Shares |
|----------------------------------------|-----------------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 212 | \$ 541,019 | \$ 236 | \$ 98 | \$ 75 |
| Total assets | 212 | 541,019 | 236 | 98 | 75 |
| Net assets | <u>\$ 212</u> | <u>\$ 541,019</u> | <u>\$ 236</u> | <u>\$ 98</u> | <u>\$ 75</u> |
| Net assets | | | | | |
| Accumulation units | \$ 212 | \$ 527,341 | \$ 236 | \$ 98 | \$ 75 |
| Contracts in payout (annuitization) | - | 13,678 | - | - | - |
| Total net assets | <u>\$ 212</u> | <u>\$ 541,019</u> | <u>\$ 236</u> | <u>\$ 98</u> | <u>\$ 75</u> |
| Total number of mutual fund shares | <u>19,237</u> | <u>541,019,379</u> | <u>10,300</u> | <u>8,445</u> | <u>4,759</u> |
| Cost of mutual fund shares | <u>\$ 243</u> | <u>\$ 541,019</u> | <u>\$ 285</u> | <u>\$ 96</u> | <u>\$ 114</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
December 31, 2008
(Dollars in thousands)

| | Janus Aspen Series Mid Cap Growth Portfolio - Institutional Shares | Janus Aspen Series Worldwide Growth Portfolio - Institutional Shares | Lazard U.S. Mid Cap Equity Portfolio - Open Shares | LKCM Aquinas Growth Fund | Loomis Sayles Small Cap Value Fund - Retail Class |
|----------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|-------------------------------------|----------------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 240 | \$ 154 | \$ 388 | \$ 206 | \$ 905 |
| Total assets | 240 | 154 | 388 | 206 | 905 |
| Net assets | <u>\$ 240</u> | <u>\$ 154</u> | <u>\$ 388</u> | <u>\$ 206</u> | <u>\$ 905</u> |
| Net assets | | | | | |
| Accumulation units | \$ 240 | \$ 154 | \$ 388 | \$ 206 | \$ 905 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | <u>\$ 240</u> | <u>\$ 154</u> | <u>\$ 388</u> | <u>\$ 206</u> | <u>\$ 905</u> |
| Total number of mutual fund shares | <u>11,276</u> | <u>8,002</u> | <u>52,380</u> | <u>18,752</u> | <u>54,716</u> |
| Cost of mutual fund shares | <u>\$ 395</u> | <u>\$ 261</u> | <u>\$ 614</u> | <u>\$ 275</u> | <u>\$ 851</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
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| | Lord Abbett Mid-Cap Value Fund, Inc. - Class A | Lord Abbett Small-Cap Value Fund - Class A | Lord Abbett Series Fund - Mid-Cap Value Portfolio - Class VC | Massachusetts Investors Growth Stock Fund - Class A | Morgan Stanley U.S. Small Cap Value Portfolio - Class I |
|----------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------|----------------------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 739 | \$ 1,074 | \$ 75,150 | \$ 364 | \$ 841 |
| Total assets | <u>739</u> | <u>1,074</u> | <u>75,150</u> | <u>364</u> | <u>841</u> |
| Net assets | <u>\$ 739</u> | <u>\$ 1,074</u> | <u>\$ 75,150</u> | <u>\$ 364</u> | <u>\$ 841</u> |
| Net assets | | | | | |
| Accumulation units | \$ 739 | \$ 1,074 | \$ 74,515 | \$ 364 | \$ 841 |
| Contracts in payout (annuitization) | <u>-</u> | <u>-</u> | <u>635</u> | <u>-</u> | <u>-</u> |
| Total net assets | <u>\$ 739</u> | <u>\$ 1,074</u> | <u>\$ 75,150</u> | <u>\$ 364</u> | <u>\$ 841</u> |
| Total number of mutual fund shares | <u>70,881</u> | <u>55,991</u> | <u>7,150,286</u> | <u>37,958</u> | <u>52,936</u> |
| Cost of mutual fund shares | <u>\$ 1,386</u> | <u>\$ 1,619</u> | <u>\$ 140,292</u> | <u>\$ 507</u> | <u>\$ 1,056</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
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Statements of Assets and Liabilities
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| | Neuberger Berman Socially Responsive Fund® - Trust Class | New Perspective Fund®, Inc. - Class R-3 | New Perspective Fund®, Inc. - Class R-4 | Oppenheimer Capital Appreciation Fund - Class A | Oppenheimer Developing Markets Fund - Class A |
|----------------------------------------|---------------------------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------|------------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 2,187 | \$ 2,657 | \$ 39,040 | \$ 363 | \$ 114,355 |
| Total assets | <u>2,187</u> | <u>2,657</u> | <u>39,040</u> | <u>363</u> | <u>114,355</u> |
| Net assets | <u>\$ 2,187</u> | <u>\$ 2,657</u> | <u>\$ 39,040</u> | <u>\$ 363</u> | <u>\$ 114,355</u> |
| Net assets | | | | | |
| Accumulation units | \$ 2,187 | \$ 2,657 | \$ 39,040 | \$ 363 | \$ 114,355 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | <u>\$ 2,187</u> | <u>\$ 2,657</u> | <u>\$ 39,040</u> | <u>\$ 363</u> | <u>\$ 114,355</u> |
| Total number of mutual fund shares | <u>199,183</u> | <u>142,782</u> | <u>2,085,489</u> | <u>13,051</u> | <u>7,196,695</u> |
| Cost of mutual fund shares | <u>\$ 3,256</u> | <u>\$ 4,240</u> | <u>\$ 60,079</u> | <u>\$ 568</u> | <u>\$ 224,759</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
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| | Oppenheimer Global Securities/VA | Oppenheimer Main Street Fund®/VA | Oppenheimer Main Street Small Cap Fund®/VA | Oppenheimer MidCap Fund/VA | Oppenheimer Strategic Bond Fund/VA |
|----------------------------------------|-------------------------------------------------|-------------------------------------------------|---------------------------------------------------------------|-------------------------------------------|---------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 247 | \$ 63 | \$ 4,655 | \$ 13 | \$ 105 |
| Total assets | 247 | 63 | 4,655 | 13 | 105 |
| Net assets | <u>\$ 247</u> | <u>\$ 63</u> | <u>\$ 4,655</u> | <u>\$ 13</u> | <u>\$ 105</u> |
| Net assets | | | | | |
| Accumulation units | \$ 247 | \$ - | \$ 4,655 | \$ - | \$ 105 |
| Contracts in payout (annuitization) | - | 63 | - | 13 | - |
| Total net assets | <u>\$ 247</u> | <u>\$ 63</u> | <u>\$ 4,655</u> | <u>\$ 13</u> | <u>\$ 105</u> |
| Total number of mutual fund shares | <u>12,239</u> | <u>4,333</u> | <u>437,118</u> | <u>484</u> | <u>23,366</u> |
| Cost of mutual fund shares | <u>\$ 402</u> | <u>\$ 96</u> | <u>\$ 7,787</u> | <u>\$ 27</u> | <u>\$ 121</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
December 31, 2008
(Dollars in thousands)

| | Pax World Balanced Fund | PIMCO Real Return Portfolio - Administrative Class | Pioneer High Yield Fund - Class A | Pioneer Emerging Markets VCT Portfolio - Class I | Pioneer Equity Income VCT Portfolio - Class I |
|----------------------------------------|------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------|-------------------------------------------------------------------------|------------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 44,509 | \$ 67,423 | \$ 2,557 | \$ 11,735 | \$ - |
| Total assets | 44,509 | 67,423 | 2,557 | 11,735 | - |
| Net assets | <u>\$ 44,509</u> | <u>\$ 67,423</u> | <u>\$ 2,557</u> | <u>\$ 11,735</u> | <u>\$ -</u> |
| Net assets | | | | | |
| Accumulation units | \$ 44,509 | \$ 67,423 | \$ 2,557 | \$ 11,735 | \$ - |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | <u>\$ 44,509</u> | <u>\$ 67,423</u> | <u>\$ 2,557</u> | <u>\$ 11,735</u> | <u>\$ -</u> |
| Total number of mutual fund shares | <u>2,618,181</u> | <u>5,987,814</u> | <u>422,592</u> | <u>740,871</u> | <u>3</u> |
| Cost of mutual fund shares | <u>\$ 62,639</u> | <u>\$ 75,331</u> | <u>\$ 4,360</u> | <u>\$ 28,396</u> | <u>\$ -</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
December 31, 2008
(Dollars in thousands)

| | Pioneer High Yield VCT Portfolio - Class I | Premier VIT OpCap Mid Cap Portfolio | RiverSource Diversified Equity Income Fund - Class R-4 | SMALLCAP World Fund® - Class R-4 | T. Rowe Price Mid-Cap Value Fund - R Class |
|----------------------------------------|---------------------------------------------------------------|----------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 11,678 | \$ 2,476 | \$ 1,464 | \$ 434 | \$ 699 |
| Total assets | 11,678 | 2,476 | 1,464 | 434 | 699 |
| Net assets | <u>\$ 11,678</u> | <u>\$ 2,476</u> | <u>\$ 1,464</u> | <u>\$ 434</u> | <u>\$ 699</u> |
| Net assets | | | | | |
| Accumulation units | \$ 11,678 | \$ 2,476 | \$ 1,464 | \$ 434 | \$ 699 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | <u>\$ 11,678</u> | <u>\$ 2,476</u> | <u>\$ 1,464</u> | <u>\$ 434</u> | <u>\$ 699</u> |
| Total number of mutual fund shares | <u>1,807,810</u> | <u>285,892</u> | <u>207,005</u> | <u>21,109</u> | <u>49,531</u> |
| Cost of mutual fund shares | <u>\$ 19,292</u> | <u>\$ 3,586</u> | <u>\$ 1,715</u> | <u>\$ 584</u> | <u>\$ 1,140</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
December 31, 2008
(Dollars in thousands)

| | T. Rowe Price Value Fund - Advisor Class | Templeton Foreign Fund - Class A | Templeton Global Bond Fund - Class A | Diversified Value Portfolio | Equity Income Portfolio |
|----------------------------------------|---------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------|----------------------------------------|------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 44 | \$ 658 | \$ 110,722 | \$ 80 | \$ 165 |
| Total assets | 44 | 658 | 110,722 | 80 | 165 |
| Net assets | <u>\$ 44</u> | <u>\$ 658</u> | <u>\$ 110,722</u> | <u>\$ 80</u> | <u>\$ 165</u> |
| Net assets | | | | | |
| Accumulation units | \$ 44 | \$ 658 | \$ 110,722 | \$ 80 | \$ 165 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | <u>\$ 44</u> | <u>\$ 658</u> | <u>\$ 110,722</u> | <u>\$ 80</u> | <u>\$ 165</u> |
| Total number of mutual fund shares | <u>2,900</u> | <u>148,086</u> | <u>9,885,860</u> | <u>8,329</u> | <u>13,628</u> |
| Cost of mutual fund shares | <u>\$ 72</u> | <u>\$ 1,473</u> | <u>\$ 112,276</u> | <u>\$ 120</u> | <u>\$ 245</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
December 31, 2008
(Dollars in thousands)

| | Small Company Growth Portfolio | Wanger International | Wanger Select | Wanger USA | Washington Mutual Investors FundSM, Inc. - Class R-3 |
|----------------------------------------|-----------------------------------------------|---------------------------------|----------------------|-------------------|----------------------------------------------------------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 64 | \$ 6,819 | \$ 35,288 | \$ 14,699 | \$ 3,911 |
| Total assets | 64 | 6,819 | 35,288 | 14,699 | 3,911 |
| Net assets | <u>\$ 64</u> | <u>\$ 6,819</u> | <u>\$ 35,288</u> | <u>\$ 14,699</u> | <u>\$ 3,911</u> |
| Net assets | | | | | |
| Accumulation units | \$ 64 | \$ 6,819 | \$ 35,288 | \$ 14,699 | \$ 3,911 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | <u>\$ 64</u> | <u>\$ 6,819</u> | <u>\$ 35,288</u> | <u>\$ 14,699</u> | <u>\$ 3,911</u> |
| Total number of mutual fund shares | <u>6,560</u> | <u>329,583</u> | <u>2,544,208</u> | <u>761,615</u> | <u>183,610</u> |
| Cost of mutual fund shares | <u>\$ 113</u> | <u>\$ 12,377</u> | <u>\$ 66,699</u> | <u>\$ 25,154</u> | <u>\$ 5,817</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
December 31, 2008
(Dollars in thousands)

| | Washington Mutual Investors FundSM, Inc. - Class R-4 | Wells Fargo Advantage Small Cap Value Fund - Class A |
|----------------------------------------|----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| Assets | | |
| Investments in mutual funds | | |
| at fair value | \$ 60,944 | \$ 46 |
| Total assets | <u>60,944</u> | <u>46</u> |
| Net assets | <u>\$ 60,944</u> | <u>\$ 46</u> |
| Net assets | | |
| Accumulation units | \$ 60,944 | \$ 46 |
| Contracts in payout (annuitization) | <u>-</u> | <u>-</u> |
| Total net assets | <u>\$ 60,944</u> | <u>\$ 46</u> |
| Total number of mutual fund shares | <u>2,855,858</u> | <u>2,590</u> |
| Cost of mutual fund shares | <u>\$ 89,362</u> | <u>\$ 76</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | AIM Mid Cap Core Equity Fund - Class A | AIM Small Cap Growth Fund - Class A | AIM Global Health Care Fund - Investor Class | AIM V.I. Capital Appreciation Fund - Series I Shares | AIM V.I. Core Equity Fund - Series I Shares |
|------------------------------------------------------------------------------|-------------------------------------------------------|----------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------------------|------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 2 | \$ - | \$ - | \$ - | \$ 901 |
| Total investment income | 2 | - | - | - | 901 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 2 | - | 2 | 270 | 435 |
| Total expenses | 2 | - | 2 | 270 | 435 |
| Net investment income (loss) | - | - | (2) | (270) | 466 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (29) | (9) | (4) | 831 | 1,359 |
| Capital gains distributions | 10 | 1 | 4 | - | - |
| Total realized gain (loss) on investments and capital gains distributions | (19) | (8) | - | 831 | 1,359 |
| Net unrealized appreciation (depreciation) of investments | (65) | (11) | (44) | (14,466) | (16,338) |
| Net realized and unrealized gain (loss) on investments | (84) | (19) | (44) | (13,635) | (14,979) |
| Net increase (decrease) in net assets resulting from operations | \$ (84) | \$ (19) | \$ (46) | \$ (13,905) | \$ (14,513) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | AllianceBernstein Growth and Income Fund, Inc. - Class A | AllianceBernstein Growth and Income Portfolio - Class A | Allianz NFJ Large-Cap Value Fund - Institutional Class | Allianz NFJ Small-Cap Value Fund - Class A |
|------------------------------------------------------------------------------|-------------------------------------------------------------------------|----------------------------------------------------------------------------|-------------------------------------------------------------------------------|---------------------------------------------------------------|
| Net investment income (loss) | | | | |
| Income: | | | | |
| Dividends | \$ 3 | \$ 11 | \$ 8 | \$ 5 |
| Total investment income | 3 | 11 | 8 | 5 |
| Expenses: | | | | |
| Mortality, expense risk and other charges | 1 | 6 | - | 5 |
| Total expenses | 1 | 6 | - | 5 |
| Net investment income (loss) | 2 | 5 | 8 | - |
| Realized and unrealized gain (loss) on investments | | | | |
| Net realized gain (loss) on investments | (5) | (30) | (120) | (24) |
| Capital gains distributions | - | 90 | - | 33 |
| Total realized gain (loss) on investments and capital gains distributions | (5) | 60 | (120) | 9 |
| Net unrealized appreciation (depreciation) of investments | (78) | (321) | (110) | (140) |
| Net realized and unrealized gain (loss) on investments | (83) | (261) | (230) | (131) |
| Net increase (decrease) in net assets resulting from operations | \$ (81) | \$ (256) | \$ (222) | \$ (131) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | <u>Amana Growth Fund</u> | <u>Amana Income Fund</u> | <u>American Balanced Fund® - Class R-3</u> | <u>American Century Income & Growth Fund - A Class</u> | <u>Ariel Appreciation Fund</u> |
|------------------------------------------------------------------------------|------------------------------|------------------------------|--------------------------------------------------------|------------------------------------------------------------------------|----------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ - | \$ - | \$ 153 | \$ 72 | \$ 3 |
| Total investment income | - | - | 153 | 72 | 3 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | - | - | 40 | 48 | 5 |
| Total expenses | - | - | 40 | 48 | 5 |
| Net investment income (loss) | - | - | 113 | 24 | (2) |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | - | - | (97) | (228) | (17) |
| Capital gains distributions | - | - | 47 | - | 46 |
| Total realized gain (loss) on investments and capital gains distributions | - | - | (50) | (228) | 29 |
| Net unrealized appreciation (depreciation) of investments | 1 | 1 | (1,566) | (1,827) | (284) |
| Net realized and unrealized gain (loss) on investments | 1 | 1 | (1,616) | (2,055) | (255) |
| Net increase (decrease) in net assets resulting from operations | <u>\$ 1</u> | <u>\$ 1</u> | <u>\$ (1,503)</u> | <u>\$ (2,031)</u> | <u>\$ (257)</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | <u>Ariel Fund</u> | <u>Artisan International Fund - Investor Shares</u> | <u>The Bond Fund of AmericaSM, Inc. - Class R-4</u> | <u>Calvert Social Balanced Portfolio</u> | <u>Capital One Mid Cap Equity Fund - Class A</u> |
|------------------------------------------------------------------------------|-------------------|-----------------------------------------------------------------|------------------------------------------------------------------------|--------------------------------------------------|----------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 10 | \$ 4 | \$ 39 | \$ 1,199 | \$ - |
| Total investment income | 10 | 4 | 39 | 1,199 | - |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 8 | 1 | 6 | 523 | 1 |
| Total expenses | 8 | 1 | 6 | 523 | 1 |
| Net investment income (loss) | 2 | 3 | 33 | 676 | (1) |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (68) | (56) | (89) | (1,523) | (58) |
| Capital gains distributions | - | 13 | 12 | 670 | - |
| Total realized gain (loss) on investments and capital gains distributions | (68) | (43) | (77) | (853) | (58) |
| Net unrealized appreciation (depreciation) of investments | (363) | (33) | (82) | (17,531) | 14 |
| Net realized and unrealized gain (loss) on investments | (431) | (76) | (159) | (18,384) | (44) |
| Net increase (decrease) in net assets resulting from operations | <u>\$ (429)</u> | <u>\$ (73)</u> | <u>\$ (126)</u> | <u>\$ (17,708)</u> | <u>\$ (45)</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | ColumbiaSM Acorn Fund® - Class Z | Columbia Mid Cap Value Fund - Class A | Columbia Mid Cap Value Fund - Class Z | DWS Equity 500 Index Fund - Class S | EuroPacific Growth Fund® - Class R-3 |
|------------------------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|----------------------------------------------------|-----------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 1 | \$ 10 | \$ 6 | \$ 4 | \$ 159 |
| Total investment income | 1 | 10 | 6 | 4 | 159 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | - | 2 | - | 2 | 49 |
| Total expenses | - | 2 | - | 2 | 49 |
| Net investment income (loss) | 1 | 8 | 6 | 2 | 110 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (61) | (19) | (25) | (5) | 80 |
| Capital gains distributions | 11 | - | - | - | 336 |
| Total realized gain (loss) on investments and capital gains distributions | (50) | (19) | (25) | (5) | 416 |
| Net unrealized appreciation (depreciation) of investments | (283) | (61) | (194) | (96) | (5,005) |
| Net realized and unrealized gain (loss) on investments | (333) | (80) | (219) | (101) | (4,589) |
| Net increase (decrease) in net assets resulting from operations | \$ (332) | \$ (72) | \$ (213) | \$ (99) | \$ (4,479) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | EuroPacific Growth Fund® - Class R-4 | Evergreen Special Values Fund - Class A | Fidelity® VIP Equity-Income Portfolio - Initial Class | Fidelity® VIP Growth Portfolio - Initial Class | Fidelity® VIP High Income Portfolio - Initial Class |
|------------------------------------------------------------------------------|-----------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 4,099 | \$ 854 | \$ 7,891 | \$ 2,034 | \$ 555 |
| Total investment income | 4,099 | 854 | 7,891 | 2,034 | 555 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 1,845 | 826 | 3,236 | 2,594 | 67 |
| Total expenses | 1,845 | 826 | 3,236 | 2,594 | 67 |
| Net investment income (loss) | 2,254 | 28 | 4,655 | (560) | 488 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | 794 | (4,347) | (8,840) | (11,477) | (251) |
| Capital gains distributions | 7,211 | 6 | 347 | - | - |
| Total realized gain (loss) on investments and capital gains distributions | 8,005 | (4,341) | (8,493) | (11,477) | (251) |
| Net unrealized appreciation (depreciation) of investments | (111,600) | (25,388) | (167,463) | (137,412) | (2,028) |
| Net realized and unrealized gain (loss) on investments | (103,595) | (29,729) | (175,956) | (148,889) | (2,279) |
| Net increase (decrease) in net assets resulting from operations | \$ (101,341) | \$ (29,701) | \$ (171,301) | \$ (149,449) | \$ (1,791) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | Fidelity® VIP Overseas Portfolio - Initial Class | Fidelity® VIP Contrafund® Portfolio - Initial Class | Fidelity® VIP Index 500 Portfolio - Initial Class | Fidelity® VIP Mid Cap Portfolio - Initial Class | Fidelity® VIP Asset ManagerSM Portfolio - Initial Class |
|------------------------------------------------------------------------------|---------------------------------------------------------------------|------------------------------------------------------------------------|----------------------------------------------------------------------|--------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 1,155 | \$ 10,440 | \$ 2,248 | \$ 49 | \$ 538 |
| Total investment income | 1,155 | 10,440 | 2,248 | 49 | 538 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 469 | 10,199 | 1,032 | - | 193 |
| Total expenses | 469 | 10,199 | 1,032 | - | 193 |
| Net investment income (loss) | 686 | 241 | 1,216 | 49 | 345 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | 614 | (10,201) | (727) | (209) | (201) |
| Capital gains distributions | 5,717 | 30,268 | 1,133 | 1,430 | 1,871 |
| Total realized gain (loss) on investments and capital gains distributions | 6,331 | 20,067 | 406 | 1,221 | 1,670 |
| Net unrealized appreciation (depreciation) of investments | (32,555) | (575,536) | (47,617) | (5,975) | (8,664) |
| Net realized and unrealized gain (loss) on investments | (26,224) | (555,469) | (47,211) | (4,754) | (6,994) |
| Net increase (decrease) in net assets resulting from operations | \$ (25,538) | \$ (555,228) | \$ (45,995) | \$ (4,705) | \$ (6,649) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | Mutual Discovery Fund - Class R | Franklin Small- Mid Cap Growth Fund - Class A | Franklin Small Cap Value Securities Fund - Class 2 | Fundamental Investors, Inc. - Class R-3 | Fundamental Investors, Inc. - Class R-4 |
|------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 27 | \$ 1 | \$ 941 | \$ - | \$ 48 |
| Total investment income | 27 | 1 | 941 | - | 48 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 16 | 5 | 752 | - | 20 |
| Total expenses | 16 | 5 | 752 | - | 20 |
| Net investment income (loss) | 11 | (4) | 189 | - | 28 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | 32 | (39) | (142) | - | (116) |
| Capital gains distributions | 76 | - | 6,516 | - | 33 |
| Total realized gain (loss) on investments and capital gains distributions | 108 | (39) | 6,374 | - | (83) |
| Net unrealized appreciation (depreciation) of investments | (884) | (243) | (37,896) | - | (1,214) |
| Net realized and unrealized gain (loss) on investments | (776) | (282) | (31,522) | - | (1,297) |
| Net increase (decrease) in net assets resulting from operations | \$ (765) | \$ (286) | \$ (31,333) | \$ - | \$ (1,269) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | The Growth Fund of America® - Class R-3 | The Growth Fund of America® - Class R-4 | The Income Fund of America® - Class R-3 | ING Financial Services Fund - Class A | ING Real Estate Fund - Class A |
|------------------------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------|-------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 75 | \$ 2,115 | \$ 73 | \$ 2 | \$ 55 |
| Total investment income | 75 | 2,115 | 73 | 2 | 55 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 83 | 2,135 | 12 | 1 | 13 |
| Total expenses | 83 | 2,135 | 12 | 1 | 13 |
| Net investment income (loss) | (8) | (20) | 61 | 1 | 42 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (22) | 382 | (36) | (9) | (103) |
| Capital gains distributions | - | - | 5 | 1 | - |
| Total realized gain (loss) on investments and capital gains distributions | (22) | 382 | (31) | (8) | (103) |
| Net unrealized appreciation (depreciation) of investments | (5,721) | (110,408) | (621) | (56) | (668) |
| Net realized and unrealized gain (loss) on investments | (5,743) | (110,026) | (652) | (64) | (771) |
| Net increase (decrease) in net assets resulting from operations | \$ (5,751) | \$ (110,046) | \$ (591) | \$ (63) | \$ (729) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | ING GNMA Income Fund - Class A | ING Intermediate Bond Fund - Class A | ING AllianceBernstein Mid Cap Growth Portfolio - Service Class | ING BlackRock Large Cap Growth Portfolio - Institutional Class | ING BlackRock Large Cap Growth Portfolio - Service Class |
|------------------------------------------------------------------------------|-----------------------------------------------|---------------------------------------------------------|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 75 | \$ 145 | \$ - | \$ 181 | \$ - |
| Total investment income | 75 | 145 | - | 181 | - |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 14 | 21 | 31 | 935 | - |
| Total expenses | 14 | 21 | 31 | 935 | - |
| Net investment income (loss) | 61 | 124 | (31) | (754) | - |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | - | (30) | (569) | (4,444) | - |
| Capital gains distributions | - | 105 | 622 | 10,465 | 7 |
| Total realized gain (loss) on investments and capital gains distributions | - | 75 | 53 | 6,021 | 7 |
| Net unrealized appreciation (depreciation) of investments | 80 | (577) | (1,906) | (49,073) | (47) |
| Net realized and unrealized gain (loss) on investments | 80 | (502) | (1,853) | (43,052) | (40) |
| Net increase (decrease) in net assets resulting from operations | \$ 141 | \$ (378) | \$ (1,884) | \$ (43,806) | \$ (40) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | ING BlackRock Large Cap Growth Portfolio - Service 2 Class | ING Evergreen Health Sciences Portfolio - Service Class | ING Evergreen Omega Portfolio - Service Class | ING FMRSM Diversified Mid Cap Portfolio - Service Class | ING Global Real Estate Portfolio - Institutional Class |
|------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ - | \$ 10 | \$ - | \$ 192 | \$ - |
| Total investment income | - | 10 | - | 192 | - |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | - | 62 | - | 197 | 121 |
| Total expenses | - | 62 | - | 197 | 121 |
| Net investment income (loss) | - | (52) | - | (5) | (121) |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (27) | (73) | (1) | (101) | (913) |
| Capital gains distributions | 16 | 359 | - | 1,578 | - |
| Total realized gain (loss) on investments and capital gains distributions | (11) | 286 | (1) | 1,477 | (913) |
| Net unrealized appreciation (depreciation) of investments | (52) | (2,687) | - | (11,681) | (15,512) |
| Net realized and unrealized gain (loss) on investments | (63) | (2,401) | (1) | (10,204) | (16,425) |
| Net increase (decrease) in net assets resulting from operations | \$ (63) | \$ (2,453) | \$ (1) | \$ (10,209) | \$ (16,546) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | ING Global Resources Portfolio - Institutional Class | ING Global Resources Portfolio - Service Class | ING Janus Contrarian Portfolio - Service Class | ING JPMorgan Emerging Markets Equity Portfolio - Adviser Class | ING JPMorgan Emerging Markets Equity Portfolio - Institutional Class |
|------------------------------------------------------------------------------|-----------------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 1 | \$ 1,907 | \$ 43 | \$ 10 | \$ 826 |
| Total investment income | 1 | 1,907 | 43 | 10 | 826 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | - | 1,093 | 37 | 1 | 314 |
| Total expenses | - | 1,093 | 37 | 1 | 314 |
| Net investment income (loss) | 1 | 814 | 6 | 9 | 512 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | - | (2,476) | (260) | (126) | 1,440 |
| Capital gains distributions | 6 | 19,460 | 1,010 | 25 | 1,862 |
| Total realized gain (loss) on investments and capital gains distributions | 6 | 16,984 | 750 | (101) | 3,302 |
| Net unrealized appreciation (depreciation) of investments | (24) | (74,214) | (5,728) | (153) | (25,117) |
| Net realized and unrealized gain (loss) on investments | (18) | (57,230) | (4,978) | (254) | (21,815) |
| Net increase (decrease) in net assets resulting from operations | \$ (17) | \$ (56,416) | \$ (4,972) | \$ (245) | \$ (21,303) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | ING JPMorgan Emerging Markets Equity Portfolio - Service Class | ING JPMorgan Small Cap Core Equity Portfolio - Service Class | ING JPMorgan Value Opportunities Portfolio - Institutional Class | ING JPMorgan Value Opportunities Portfolio - Service Class | ING Julius Baer Foreign Portfolio - Service Class |
|------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|----------------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 688 | \$ 11 | \$ 2 | \$ 45 | \$ - |
| Total investment income | 688 | 11 | 2 | 45 | - |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 301 | 21 | 1 | 13 | 495 |
| Total expenses | 301 | 21 | 1 | 13 | 495 |
| Net investment income (loss) | 387 | (10) | 1 | 32 | (495) |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | 1,270 | (176) | (22) | (236) | (655) |
| Capital gains distributions | 1,698 | 214 | 6 | 149 | 5,253 |
| Total realized gain (loss) on investments and capital gains distributions | 2,968 | 38 | (16) | (87) | 4,598 |
| Net unrealized appreciation (depreciation) of investments | (22,553) | (903) | (8) | (626) | (31,754) |
| Net realized and unrealized gain (loss) on investments | (19,585) | (865) | (24) | (713) | (27,156) |
| Net increase (decrease) in net assets resulting from operations | \$ (19,198) | \$ (875) | \$ (23) | \$ (681) | \$ (27,651) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | ING Legg Mason Value Portfolio - Service Class | ING Lord Abbott Affiliated Portfolio - Institutional Class | ING Lord Abbott Affiliated Portfolio - Service Class | ING Marsico Growth Portfolio - Institutional Class | ING Marsico Growth Portfolio - Service Class |
|------------------------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|---------------------------------------------------------------------------|-----------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ - | \$ 3,328 | \$ 17 | \$ 59 | \$ 2 |
| Total investment income | - | 3,328 | 17 | 59 | 2 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 29 | 1,015 | 4 | 46 | 16 |
| Total expenses | 29 | 1,015 | 4 | 46 | 16 |
| Net investment income (loss) | (29) | 2,313 | 13 | 13 | (14) |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (1,498) | (5,811) | (26) | (350) | 120 |
| Capital gains distributions | 554 | 14,963 | 92 | - | - |
| Total realized gain (loss) on investments and capital gains distributions | (944) | 9,152 | 66 | (350) | 120 |
| Net unrealized appreciation (depreciation) of investments | (1,123) | (57,524) | (350) | (2,548) | (600) |
| Net realized and unrealized gain (loss) on investments | (2,067) | (48,372) | (284) | (2,898) | (480) |
| Net increase (decrease) in net assets resulting from operations | \$ (2,096) | \$ (46,059) | \$ (271) | \$ (2,885) | \$ (494) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | ING Marsico International Opportunities Portfolio - Adviser Class | ING Marsico International Opportunities Portfolio - Service Class | ING MFS Total Return Portfolio - Adviser Class | ING MFS Total Return Portfolio - Institutional Class | ING MFS Total Return Portfolio - Service Class |
|------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|---------------------------------------------------------------|-------------------------------------------------------------------------|---------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ - | \$ 102 | \$ 26 | \$ 4,159 | \$ 1,671 |
| Total investment income | - | 102 | 26 | 4,159 | 1,671 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | - | 101 | 2 | 653 | 309 |
| Total expenses | - | 101 | 2 | 653 | 309 |
| Net investment income (loss) | - | 1 | 24 | 3,506 | 1,362 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (56) | (601) | (82) | (2,102) | (1,536) |
| Capital gains distributions | 15 | 1,059 | 57 | 6,268 | 2,811 |
| Total realized gain (loss) on investments and capital gains distributions | (41) | 458 | (25) | 4,166 | 1,275 |
| Net unrealized appreciation (depreciation) of investments | (33) | (6,943) | (159) | (24,202) | (9,967) |
| Net realized and unrealized gain (loss) on investments | (74) | (6,485) | (184) | (20,036) | (8,692) |
| Net increase (decrease) in net assets resulting from operations | \$ (74) | \$ (6,484) | \$ (160) | \$ (16,530) | \$ (7,330) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | ING MFS Utilities Portfolio - Service Class | ING Oppenheimer Main Street Portfolio® - Service Class | ING PIMCO High Yield Portfolio - Institutional Class | ING PIMCO High Yield Portfolio - Service Class | ING Pioneer Equity Income Portfolio - Institutional Class |
|------------------------------------------------------------------------------|----------------------------------------------------------------|-------------------------------------------------------------------------------|-----------------------------------------------------------------------------|-------------------------------------------------------------------|----------------------------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 1,116 | \$ 50 | \$ 63 | \$ 456 | \$ 4,229 |
| Total investment income | 1,116 | 50 | 63 | 456 | 4,229 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 341 | 19 | 7 | 52 | 1,323 |
| Total expenses | 341 | 19 | 7 | 52 | 1,323 |
| Net investment income (loss) | 775 | 31 | 56 | 404 | 2,906 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (265) | (453) | (79) | (588) | (2,534) |
| Capital gains distributions | 3,979 | - | - | 2 | - |
| Total realized gain (loss) on investments and capital gains distributions | 3,714 | (453) | (79) | (586) | (2,534) |
| Net unrealized appreciation (depreciation) of investments | (20,213) | (434) | (157) | (1,227) | (48,595) |
| Net realized and unrealized gain (loss) on investments | (16,499) | (887) | (236) | (1,813) | (51,129) |
| Net increase (decrease) in net assets resulting from operations | \$ (15,724) | \$ (856) | \$ (180) | \$ (1,409) | \$ (48,223) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | ING Pioneer Fund Portfolio - Institutional Class | ING Pioneer Fund Portfolio - Service Class | ING Pioneer Mid Cap Value Portfolio - Adviser Class | ING Pioneer Mid Cap Value Portfolio - Institutional Class | ING Pioneer Mid Cap Value Portfolio - Service Class |
|------------------------------------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------|------------------------------------------------------------------------|----------------------------------------------------------------------------------|------------------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 533 | \$ 4 | \$ - | \$ 1,770 | \$ 4 |
| Total investment income | 533 | 4 | - | 1,770 | 4 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 112 | 1 | - | 774 | 1 |
| Total expenses | 112 | 1 | - | 774 | 1 |
| Net investment income (loss) | 421 | 3 | - | 996 | 3 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (309) | (3) | (1) | (2,139) | (1) |
| Capital gains distributions | 570 | 5 | - | 5,136 | 10 |
| Total realized gain (loss) on investments and capital gains distributions | 261 | 2 | (1) | 2,997 | 9 |
| Net unrealized appreciation (depreciation) of investments | (6,636) | (53) | (1) | (36,707) | (74) |
| Net realized and unrealized gain (loss) on investments | (6,375) | (51) | (2) | (33,710) | (65) |
| Net increase (decrease) in net assets resulting from operations | \$ (5,954) | \$ (48) | \$ (2) | \$ (32,714) | \$ (62) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | ING Stock Index Portfolio - Institutional Class | ING T. Rowe Price Capital Appreciation Portfolio - Service Class | ING T. Rowe Price Equity Income Portfolio - Adviser Class | ING T. Rowe Price Equity Income Portfolio - Service Class | ING Templeton Global Growth Portfolio - Institutional Class |
|------------------------------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|----------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 115 | \$ 7,860 | \$ 36 | \$ 4,033 | \$ 14 |
| Total investment income | 115 | 7,860 | 36 | 4,033 | 14 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 3 | 1,646 | 4 | 868 | 11 |
| Total expenses | 3 | 1,646 | 4 | 868 | 11 |
| Net investment income (loss) | 112 | 6,214 | 32 | 3,165 | 3 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (8) | (1,259) | (90) | (66) | (23) |
| Capital gains distributions | 32 | 16,855 | 98 | 7,642 | 42 |
| Total realized gain (loss) on investments and capital gains distributions | 24 | 15,596 | 8 | 7,576 | 19 |
| Net unrealized appreciation (depreciation) of investments | (1,486) | (79,630) | (532) | (49,945) | (514) |
| Net realized and unrealized gain (loss) on investments | (1,462) | (64,034) | (524) | (42,369) | (495) |
| Net increase (decrease) in net assets resulting from operations | \$ (1,350) | \$ (57,820) | \$ (492) | \$ (39,204) | \$ (492) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | ING Templeton Global Growth Portfolio - Service Class | ING Van Kampen Capital Growth Portfolio - Institutional Class | ING Van Kampen Capital Growth Portfolio - Service Class | ING Van Kampen Growth and Income Portfolio - Service Class | ING Van Kampen Large Cap Growth Portfolio - Institutional Class |
|------------------------------------------------------------------------------|--------------------------------------------------------------------------|------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 27 | \$ - | \$ - | \$ 620 | \$ 1 |
| Total investment income | 27 | - | - | 620 | 1 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 28 | 2 | 1 | 145 | - |
| Total expenses | 28 | 2 | 1 | 145 | - |
| Net investment income (loss) | (1) | (2) | (1) | 475 | 1 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (116) | (96) | (19) | (615) | (9) |
| Capital gains distributions | 112 | 6 | 8 | 1,331 | 6 |
| Total realized gain (loss) on investments and capital gains distributions | (4) | (90) | (11) | 716 | (3) |
| Net unrealized appreciation (depreciation) of investments | (1,297) | (94) | (132) | (7,115) | (1) |
| Net realized and unrealized gain (loss) on investments | (1,301) | (184) | (143) | (6,399) | (4) |
| Net increase (decrease) in net assets resulting from operations | \$ (1,302) | \$ (186) | \$ (144) | \$ (5,924) | \$ (3) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | ING Van Kampen Large Cap Growth Portfolio - Service Class | ING Van Kampen Real Estate Portfolio - Institutional Class | ING Van Kampen Real Estate Portfolio - Service Class | ING VP Index Plus International Equity Portfolio - Institutional Class | ING VP Index Plus International Equity Portfolio - Service Class |
|------------------------------------------------------------------------------|----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ - | \$ 16 | \$ 265 | \$ 1,128 | \$ 307 |
| Total investment income | - | 16 | 265 | 1,128 | 307 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | - | 9 | 185 | 171 | 53 |
| Total expenses | - | 9 | 185 | 171 | 53 |
| Net investment income (loss) | - | 7 | 80 | 957 | 254 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | - | (67) | (2,646) | (2,718) | (1,181) |
| Capital gains distributions | - | 181 | 3,986 | 5,008 | 1,453 |
| Total realized gain (loss) on investments and capital gains distributions | - | 114 | 1,340 | 2,290 | 272 |
| Net unrealized appreciation (depreciation) of investments | - | (590) | (11,957) | (12,785) | (3,273) |
| Net realized and unrealized gain (loss) on investments | - | (476) | (10,617) | (10,495) | (3,001) |
| Net increase (decrease) in net assets resulting from operations | \$ - | \$ (469) | \$ (10,537) | \$ (9,538) | \$ (2,747) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | ING Wells Fargo Disciplined Value Portfolio - Adviser Class | ING Wells Fargo Disciplined Value Portfolio - Service Class | ING Wells Fargo Small Cap Disciplined Portfolio - Service Class | ING International Growth Opportunities Fund - Class Q | ING International SmallCap Multi-Manager Fund - Class A |
|------------------------------------------------------------------------------|------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ - | \$ 26 | \$ 7 | \$ - | \$ 38 |
| Total investment income | - | 26 | 7 | - | 38 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | - | 6 | 8 | - | 9 |
| Total expenses | - | 6 | 8 | - | 9 |
| Net investment income (loss) | - | 20 | (1) | - | 29 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (1) | (211) | (306) | - | (92) |
| Capital gains distributions | - | - | 114 | - | - |
| Total realized gain (loss) on investments and capital gains distributions | (1) | (211) | (192) | - | (92) |
| Net unrealized appreciation (depreciation) of investments | - | 87 | (231) | (8) | (1,196) |
| Net realized and unrealized gain (loss) on investments | (1) | (124) | (423) | (8) | (1,288) |
| Net increase (decrease) in net assets resulting from operations | \$ (1) | \$ (104) | \$ (424) | \$ (8) | \$ (1,259) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | ING American Century Large Company Value Portfolio - Adviser Class | ING American Century Large Company Value Portfolio - Service Class | ING American Century Small- Mid Cap Value Portfolio - Adviser Class | ING American Century Small- Mid Cap Value Portfolio - Service Class | ING Baron Asset Portfolio - Service Class |
|------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|----------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 10 | \$ 515 | \$ 1 | \$ 202 | \$ - |
| Total investment income | 10 | 515 | 1 | 202 | - |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | - | 40 | - | 245 | 23 |
| Total expenses | - | 40 | - | 245 | 23 |
| Net investment income (loss) | 10 | 475 | 1 | (43) | (23) |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | - | (799) | (21) | (504) | (86) |
| Capital gains distributions | 30 | 1,528 | 14 | 3,252 | 46 |
| Total realized gain (loss) on investments and capital gains distributions | 30 | 729 | (7) | 2,748 | (40) |
| Net unrealized appreciation (depreciation) of investments | (75) | (2,931) | (10) | (10,546) | (1,397) |
| Net realized and unrealized gain (loss) on investments | (45) | (2,202) | (17) | (7,798) | (1,437) |
| Net increase (decrease) in net assets resulting from operations | \$ (35) | \$ (1,727) | \$ (16) | \$ (7,841) | \$ (1,460) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | ING Baron Small Cap Growth Portfolio - Adviser Class | ING Baron Small Cap Growth Portfolio - Service Class | ING Columbia Small Cap Value II Portfolio - Service Class | ING Davis New York Venture Portfolio - Service Class | ING Fidelity® VIP Mid Cap Portfolio - Service Class |
|------------------------------------------------------------------------------|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------|----------------------------------------------------------------------------------|-------------------------------------------------------------------------|------------------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ - | \$ - | \$ 1 | \$ 78 | \$ 20 |
| Total investment income | - | - | 1 | 78 | 20 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 1 | 814 | 10 | 104 | 34 |
| Total expenses | 1 | 814 | 10 | 104 | 34 |
| Net investment income (loss) | (1) | (814) | (9) | (26) | (14) |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (38) | 1,779 | (42) | (94) | (117) |
| Capital gains distributions | 11 | 3,000 | 9 | 112 | 528 |
| Total realized gain (loss) on investments and capital gains distributions | (27) | 4,779 | (33) | 18 | 411 |
| Net unrealized appreciation (depreciation) of investments | (109) | (50,479) | (377) | (5,140) | (4,082) |
| Net realized and unrealized gain (loss) on investments | (136) | (45,700) | (410) | (5,122) | (3,671) |
| Net increase (decrease) in net assets resulting from operations | \$ (137) | \$ (46,514) | \$ (419) | \$ (5,148) | \$ (3,685) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | ING Index Solution 2015 Portfolio - Adviser Class | ING Index Solution 2025 Portfolio - Adviser Class | ING Index Solution 2035 Portfolio - Adviser Class | ING Index Solution 2045 Portfolio - Adviser Class | ING Index Solution Income Portfolio - Adviser Class |
|------------------------------------------------------------------------------|----------------------------------------------------------------------|----------------------------------------------------------------------|----------------------------------------------------------------------|----------------------------------------------------------------------|------------------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total investment income | - | - | - | - | - |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | - | - | - | - | - |
| Total expenses | - | - | - | - | - |
| Net investment income (loss) | - | - | - | - | - |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | - | - | - | - | - |
| Capital gains distributions | - | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | - | - | - | - | - |
| Net unrealized appreciation (depreciation) of investments | 1 | 2 | 1 | - | - |
| Net realized and unrealized gain (loss) on investments | 1 | 2 | 1 | - | - |
| Net increase (decrease) in net assets resulting from operations | \$ 1 | \$ 2 | \$ 1 | \$ - | \$ - |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | ING JPMorgan International Portfolio - Adviser Class | ING JPMorgan International Portfolio - Initial Class | ING JPMorgan International Portfolio - Service Class | ING JPMorgan Mid Cap Value Portfolio - Adviser Class | ING JPMorgan Mid Cap Value Portfolio - Service Class |
|------------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 6 | \$ 4,023 | \$ 1 | \$ 5 | \$ 590 |
| Total investment income | 6 | 4,023 | 1 | 5 | 590 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | - | 416 | - | 1 | 285 |
| Total expenses | - | 416 | - | 1 | 285 |
| Net investment income (loss) | 6 | 3,607 | 1 | 4 | 305 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (129) | (29,088) | (15) | (72) | (161) |
| Capital gains distributions | 117 | 67,810 | 17 | 35 | 2,694 |
| Total realized gain (loss) on investments and capital gains distributions | (12) | 38,722 | 2 | (37) | 2,533 |
| Net unrealized appreciation (depreciation) of investments | 3 | (47,137) | (3) | (85) | (13,907) |
| Net realized and unrealized gain (loss) on investments | (9) | (8,415) | (1) | (122) | (11,374) |
| Net increase (decrease) in net assets resulting from operations | \$ (3) | \$ (4,808) | \$ - | \$ (118) | \$ (11,069) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | ING Legg Mason Partners Aggressive Growth Portfolio - Adviser Class | ING Legg Mason Partners Aggressive Growth Portfolio - Initial Class | ING Legg Mason Partners Aggressive Growth Portfolio - Service Class | ING Legg Mason Partners Large Cap Growth Portfolio - Adviser Class | ING Legg Mason Partners Large Cap Growth Portfolio - Initial Class |
|------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total investment income | - | - | - | - | - |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | - | 1,316 | 1 | - | 10 |
| Total expenses | - | 1,316 | 1 | - | 10 |
| Net investment income (loss) | - | (1,316) | (1) | - | (10) |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (10) | (20,709) | 1 | (18) | (522) |
| Capital gains distributions | - | - | - | 5 | 527 |
| Total realized gain (loss) on investments and capital gains distributions | (10) | (20,709) | 1 | (13) | 5 |
| Net unrealized appreciation (depreciation) of investments | (27) | (37,274) | (67) | 4 | (250) |
| Net realized and unrealized gain (loss) on investments | (37) | (57,983) | (66) | (9) | (245) |
| Net increase (decrease) in net assets resulting from operations | \$ (37) | \$ (59,299) | \$ (67) | \$ (9) | \$ (255) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | ING Neuberger Berman Partners Portfolio - Service Class | ING Neuberger Berman Regency Portfolio - Service Class | ING OpCap Balanced Value Portfolio - Service Class | ING Oppenheimer Global Portfolio - Adviser Class | ING Oppenheimer Global Portfolio - Initial Class |
|------------------------------------------------------------------------------|--------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-----------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ - | \$ - | \$ 477 | \$ 7 | \$ 14,508 |
| Total investment income | - | - | 477 | 7 | 14,508 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 24 | - | 82 | 1 | 6,345 |
| Total expenses | 24 | - | 82 | 1 | 6,345 |
| Net investment income (loss) | (24) | - | 395 | 6 | 8,163 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (325) | (4) | (6,524) | (63) | 12,361 |
| Capital gains distributions | - | - | 2,235 | 32 | 50,125 |
| Total realized gain (loss) on investments and capital gains distributions | (325) | (4) | (4,289) | (31) | 62,486 |
| Net unrealized appreciation (depreciation) of investments | (1,673) | 2 | 351 | (148) | (385,205) |
| Net realized and unrealized gain (loss) on investments | (1,998) | (2) | (3,938) | (179) | (322,719) |
| Net increase (decrease) in net assets resulting from operations | \$ (2,022) | \$ (2) | \$ (3,543) | \$ (173) | \$ (314,556) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | ING Oppenheimer Global Portfolio - Service Class | ING Oppenheimer Strategic Income Portfolio - Adviser Class | ING Oppenheimer Strategic Income Portfolio - Initial Class | ING Oppenheimer Strategic Income Portfolio - Service Class | ING PIMCO Total Return Portfolio - Adviser Class |
|------------------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 7 | \$ 18 | \$ 6,727 | \$ 8 | \$ 39 |
| Total investment income | 7 | 18 | 6,727 | 8 | 39 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 3 | 1 | 1,255 | 1 | 3 |
| Total expenses | 3 | 1 | 1,255 | 1 | 3 |
| Net investment income (loss) | 4 | 17 | 5,472 | 7 | 36 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (12) | (14) | 53 | 6 | (1) |
| Capital gains distributions | 27 | 1 | 450 | 1 | 13 |
| Total realized gain (loss) on investments and capital gains distributions | 15 | (13) | 503 | 7 | 12 |
| Net unrealized appreciation (depreciation) of investments | (191) | (65) | (28,238) | (26) | (70) |
| Net realized and unrealized gain (loss) on investments | (176) | (78) | (27,735) | (19) | (58) |
| Net increase (decrease) in net assets resulting from operations | \$ (172) | \$ (61) | \$ (22,263) | \$ (12) | \$ (22) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | ING PIMCO Total Return Portfolio - Service Class | ING Pioneer High Yield Portfolio - Initial Class | ING Pioneer High Yield Portfolio - Service Class | ING Solution 2015 Portfolio - Adviser Class | ING Solution 2015 Portfolio - Service Class |
|------------------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 5,097 | \$ 393 | \$ 7 | \$ 182 | \$ 518 |
| Total investment income | 5,097 | 393 | 7 | 182 | 518 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 1,023 | 46 | 1 | 62 | 266 |
| Total expenses | 1,023 | 46 | 1 | 62 | 266 |
| Net investment income (loss) | 4,074 | 347 | 6 | 120 | 252 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (40) | (328) | (1) | (31) | (11) |
| Capital gains distributions | 1,627 | 131 | 2 | 247 | 667 |
| Total realized gain (loss) on investments and capital gains distributions | 1,587 | (197) | 1 | 216 | 656 |
| Net unrealized appreciation (depreciation) of investments | (7,862) | (1,867) | (41) | (3,943) | (10,651) |
| Net realized and unrealized gain (loss) on investments | (6,275) | (2,064) | (40) | (3,727) | (9,995) |
| Net increase (decrease) in net assets resulting from operations | \$ (2,201) | \$ (1,717) | \$ (34) | \$ (3,607) | \$ (9,743) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | ING Solution 2025 Portfolio - Adviser Class | ING Solution 2025 Portfolio - Service Class | ING Solution 2035 Portfolio - Adviser Class | ING Solution 2035 Portfolio - Service Class | ING Solution 2045 Portfolio - Adviser Class |
|------------------------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 173 | \$ 545 | \$ 142 | \$ 388 | \$ 79 |
| Total investment income | 173 | 545 | 142 | 388 | 79 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 75 | 337 | 63 | 238 | 35 |
| Total expenses | 75 | 337 | 63 | 238 | 35 |
| Net investment income (loss) | 98 | 208 | 79 | 150 | 44 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (110) | (240) | (75) | (95) | (88) |
| Capital gains distributions | 403 | 1,200 | 377 | 973 | 258 |
| Total realized gain (loss) on investments and capital gains distributions | 293 | 960 | 302 | 878 | 170 |
| Net unrealized appreciation (depreciation) of investments | (6,064) | (18,098) | (5,470) | (14,504) | (4,003) |
| Net realized and unrealized gain (loss) on investments | (5,771) | (17,138) | (5,168) | (13,626) | (3,833) |
| Net increase (decrease) in net assets resulting from operations | \$ (5,673) | \$ (16,930) | \$ (5,089) | \$ (13,476) | \$ (3,789) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | ING Solution 2045 Portfolio - Service Class | ING Solution Growth and Income Portfolio - Service Class | ING Solution Growth Portfolio - Service Class | ING Solution Income Portfolio - Adviser Class | ING Solution Income Portfolio - Service Class |
|------------------------------------------------------------------------------|------------------------------------------------------------|---------------------------------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 199 | \$ - | \$ - | \$ 154 | \$ 150 |
| Total investment income | 199 | - | - | 154 | 150 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 157 | 1 | 1 | 40 | 67 |
| Total expenses | 157 | 1 | 1 | 40 | 67 |
| Net investment income (loss) | 42 | (1) | (1) | 114 | 83 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | 9 | (26) | (52) | (31) | (202) |
| Capital gains distributions | 604 | - | - | 152 | 143 |
| Total realized gain (loss) on investments and capital gains distributions | 613 | (26) | (52) | 121 | (59) |
| Net unrealized appreciation (depreciation) of investments | (9,919) | (7) | (7) | (1,905) | (1,545) |
| Net realized and unrealized gain (loss) on investments | (9,306) | (33) | (59) | (1,784) | (1,604) |
| Net increase (decrease) in net assets resulting from operations | \$ (9,264) | \$ (34) | \$ (60) | \$ (1,670) | \$ (1,521) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Adviser Class | ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Initial Class | ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Service Class | ING T. Rowe Price Growth Equity Portfolio - Adviser Class | ING T. Rowe Price Growth Equity Portfolio - Initial Class |
|------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ - | \$ 1,404 | \$ - | \$ 3 | \$ 2,863 |
| Total investment income | - | 1,404 | - | 3 | 2,863 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 1 | 3,195 | 3 | 4 | 2,157 |
| Total expenses | 1 | 3,195 | 3 | 4 | 2,157 |
| Net investment income (loss) | (1) | (1,791) | (3) | (1) | 706 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (68) | (1,048) | (26) | (164) | (6,918) |
| Capital gains distributions | 63 | 49,315 | 67 | 88 | 16,121 |
| Total realized gain (loss) on investments and capital gains distributions | (5) | 48,267 | 41 | (76) | 9,203 |
| Net unrealized appreciation (depreciation) of investments | (174) | (208,361) | (254) | (464) | (120,189) |
| Net realized and unrealized gain (loss) on investments | (179) | (160,094) | (213) | (540) | (110,986) |
| Net increase (decrease) in net assets resulting from operations | \$ (180) | \$ (161,885) | \$ (216) | \$ (541) | \$ (110,280) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | ING T. Rowe Price Growth Equity Portfolio - Service Class | ING Templeton Foreign Equity Portfolio - Adviser Class | ING Templeton Foreign Equity Portfolio - Initial Class | ING Templeton Foreign Equity Portfolio - Service Class | ING Thornburg Value Portfolio - Adviser Class |
|------------------------------------------------------------------------------|------------------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------------|--------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 13 | \$ 4 | \$ 2,486 | \$ 1 | \$ 1 |
| Total investment income | 13 | 4 | 2,486 | 1 | 1 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 8 | - | 712 | 16 | 2 |
| Total expenses | 8 | - | 712 | 16 | 2 |
| Net investment income (loss) | 5 | 4 | 1,774 | (15) | (1) |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (26) | (17) | (3,433) | (81) | (33) |
| Capital gains distributions | 102 | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | 76 | (17) | (3,433) | (81) | (33) |
| Net unrealized appreciation (depreciation) of investments | (750) | (76) | (48,104) | (155) | (179) |
| Net realized and unrealized gain (loss) on investments | (674) | (93) | (51,537) | (236) | (212) |
| Net increase (decrease) in net assets resulting from operations | \$ (669) | \$ (89) | \$ (49,763) | \$ (251) | \$ (213) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | ING Thornburg Value Portfolio - Initial Class | ING UBS U.S. Large Cap Equity Portfolio - Adviser Class | ING UBS U.S. Large Cap Equity Portfolio - Initial Class | ING UBS U.S. Large Cap Equity Portfolio - Service Class | ING UBS U.S. Small Cap Growth Portfolio - Service Class |
|------------------------------------------------------------------------------|--------------------------------------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 473 | \$ 1 | \$ 2,309 | \$ - | \$ - |
| Total investment income | 473 | 1 | 2,309 | - | - |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 902 | - | 1,035 | - | 2 |
| Total expenses | 902 | - | 1,035 | - | 2 |
| Net investment income (loss) | (429) | 1 | 1,274 | - | (2) |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (3,171) | - | (10,767) | - | (90) |
| Capital gains distributions | - | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | (3,171) | - | (10,767) | - | (90) |
| Net unrealized appreciation (depreciation) of investments | (40,240) | (24) | (36,911) | (4) | 37 |
| Net realized and unrealized gain (loss) on investments | (43,411) | (24) | (47,678) | (4) | (53) |
| Net increase (decrease) in net assets resulting from operations | \$ (43,840) | \$ (23) | \$ (46,404) | \$ (4) | \$ (55) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | ING Van Kampen Comstock Portfolio - Adviser Class | ING Van Kampen Comstock Portfolio - Service Class | ING Van Kampen Equity and Income Portfolio - Adviser Class | ING Van Kampen Equity and Income Portfolio - Initial Class | ING Van Kampen Equity and Income Portfolio - Service Class |
|------------------------------------------------------------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 9 | \$ 2,359 | \$ 18 | \$ 14,010 | \$ 9 |
| Total investment income | 9 | 2,359 | 18 | 14,010 | 9 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 1 | 647 | 1 | 2,750 | 2 |
| Total expenses | 1 | 647 | 1 | 2,750 | 2 |
| Net investment income (loss) | 8 | 1,712 | 17 | 11,260 | 7 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (86) | (2,010) | (42) | (159) | (4) |
| Capital gains distributions | 20 | 3,812 | 27 | 15,058 | 10 |
| Total realized gain (loss) on investments and capital gains distributions | (66) | 1,802 | (15) | 14,899 | 6 |
| Net unrealized appreciation (depreciation) of investments | (77) | (31,217) | (113) | (98,950) | (62) |
| Net realized and unrealized gain (loss) on investments | (143) | (29,415) | (128) | (84,051) | (56) |
| Net increase (decrease) in net assets resulting from operations | \$ (135) | \$ (27,703) | \$ (111) | \$ (72,791) | \$ (49) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | ING VP Strategic Allocation Conservative Portfolio - Class I | ING VP Strategic Allocation Growth Portfolio - Class I | ING VP Strategic Allocation Moderate Portfolio - Class I | ING VP Growth and Income Portfolio - Class A | ING VP Growth and Income Portfolio - Class I |
|------------------------------------------------------------------------------|-----------------------------------------------------------------------------|-----------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 1,390 | \$ 1,710 | \$ 1,907 | \$ 5 | \$ 19,275 |
| Total investment income | 1,390 | 1,710 | 1,907 | 5 | 19,275 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 330 | 711 | 613 | 1 | 15,196 |
| Total expenses | 330 | 711 | 613 | 1 | 15,196 |
| Net investment income (loss) | 1,060 | 999 | 1,294 | 4 | 4,079 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (1,155) | (2,661) | (208) | (56) | (101,523) |
| Capital gains distributions | 2,745 | 9,718 | 7,461 | - | - |
| Total realized gain (loss) on investments and capital gains distributions | 1,590 | 7,057 | 7,253 | (56) | (101,523) |
| Net unrealized appreciation (depreciation) of investments | (11,399) | (37,541) | (30,451) | (138) | (526,910) |
| Net realized and unrealized gain (loss) on investments | (9,809) | (30,484) | (23,198) | (194) | (628,433) |
| Net increase (decrease) in net assets resulting from operations | \$ (8,749) | \$ (29,485) | \$ (21,904) | \$ (190) | \$ (624,354) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | ING VP Growth and Income Portfolio - Class S | ING GET U.S. Core Portfolio - Series 1 | ING GET U.S. Core Portfolio - Series 2 | ING GET U.S. Core Portfolio - Series 3 | ING GET U.S. Core Portfolio - Series 5 |
|------------------------------------------------------------------------------|-----------------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 6 | \$ 31 | \$ 207 | \$ 443 | \$ 8 |
| Total investment income | 6 | 31 | 207 | 443 | 8 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 2 | 7 | 49 | 282 | 9 |
| Total expenses | 2 | 7 | 49 | 282 | 9 |
| Net investment income (loss) | 4 | 24 | 158 | 161 | (1) |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (17) | (116) | (579) | (16) | (5) |
| Capital gains distributions | - | 83 | 318 | 1,024 | 92 |
| Total realized gain (loss) on investments and capital gains distributions | (17) | (33) | (261) | 1,008 | 87 |
| Net unrealized appreciation (depreciation) of investments | (156) | (31) | (197) | (2,178) | (141) |
| Net realized and unrealized gain (loss) on investments | (173) | (64) | (458) | (1,170) | (54) |
| Net increase (decrease) in net assets resulting from operations | \$ (169) | \$ (40) | \$ (300) | \$ (1,009) | \$ (55) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | ING GET U.S. Core Portfolio - Series 6 | ING GET U.S. Core Portfolio - Series 7 | ING GET U.S. Core Portfolio - Series 8 | ING GET U.S. Core Portfolio - Series 9 | ING GET U.S. Core Portfolio - Series 10 |
|------------------------------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|--------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 47 | \$ 45 | \$ 17 | \$ 3 | \$ 2 |
| Total investment income | 47 | 45 | 17 | 3 | 2 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 42 | 33 | 15 | 3 | 1 |
| Total expenses | 42 | 33 | 15 | 3 | 1 |
| Net investment income (loss) | 5 | 12 | 2 | - | 1 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (33) | (31) | (12) | (4) | - |
| Capital gains distributions | 400 | 433 | 159 | 32 | 13 |
| Total realized gain (loss) on investments and capital gains distributions | 367 | 402 | 147 | 28 | 13 |
| Net unrealized appreciation (depreciation) of investments | (584) | (569) | (225) | (40) | (18) |
| Net realized and unrealized gain (loss) on investments | (217) | (167) | (78) | (12) | (5) |
| Net increase (decrease) in net assets resulting from operations | \$ (212) | \$ (155) | \$ (76) | \$ (12) | \$ (4) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | ING GET U.S. Core Portfolio - Series 11 | ING BlackRock Global Science and Technology Portfolio - Class I | ING International Index Portfolio - Class I | ING Lehman Brothers U.S. Aggregate Bond Index® Portfolio - Class I | ING Opportunistic Large Cap Growth Portfolio - Class I |
|------------------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------------------------------------------|----------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 1 | \$ - | \$ 4 | \$ 20 | \$ 375 |
| Total investment income | 1 | - | 4 | 20 | 375 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 1 | 319 | 1 | 4 | 480 |
| Total expenses | 1 | 319 | 1 | 4 | 480 |
| Net investment income (loss) | - | (319) | 3 | 16 | (105) |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | - | 2,373 | (58) | 1 | (1,150) |
| Capital gains distributions | 6 | - | - | 3 | - |
| Total realized gain (loss) on investments and capital gains distributions | 6 | 2,373 | (58) | 4 | (1,150) |
| Net unrealized appreciation (depreciation) of investments | (7) | (18,274) | 1 | 31 | (25,054) |
| Net realized and unrealized gain (loss) on investments | (1) | (15,901) | (57) | 35 | (26,204) |
| Net increase (decrease) in net assets resulting from operations | \$ (1) | \$ (16,220) | \$ (54) | \$ 51 | \$ (26,309) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | ING Opportunistic Large Cap Value Portfolio - Class I | ING Russell™ Large Cap Index Portfolio - Class I | ING Russell™ Mid Cap Index Portfolio - Class I | ING Russell™ Small Cap Index Portfolio - Class I | ING VP Index Plus LargeCap Portfolio - Class I |
|------------------------------------------------------------------------------|------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 1,326 | \$ 30 | \$ 18 | \$ 6 | \$ 7,572 |
| Total investment income | 1,326 | 30 | 18 | 6 | 7,572 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 619 | 5 | 2 | 2 | 3,668 |
| Total expenses | 619 | 5 | 2 | 2 | 3,668 |
| Net investment income (loss) | 707 | 25 | 16 | 4 | 3,904 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (546) | (44) | (88) | (37) | (9,337) |
| Capital gains distributions | 10,413 | - | - | - | 26,611 |
| Total realized gain (loss) on investments and capital gains distributions | 9,867 | (44) | (88) | (37) | 17,274 |
| Net unrealized appreciation (depreciation) of investments | (37,665) | (60) | 2 | (158) | (184,448) |
| Net realized and unrealized gain (loss) on investments | (27,798) | (104) | (86) | (195) | (167,174) |
| Net increase (decrease) in net assets resulting from operations | \$ (27,091) | \$ (79) | \$ (70) | \$ (191) | \$ (163,270) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | ING VP Index Plus LargeCap Portfolio - Class S | ING VP Index Plus MidCap Portfolio - Class I | ING VP Index Plus MidCap Portfolio - Class S | ING VP Index Plus SmallCap Portfolio - Class I | ING VP Index Plus SmallCap Portfolio - Class S |
|------------------------------------------------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 5 | \$ 4,290 | \$ 4 | \$ 1,142 | \$ - |
| Total investment income | 5 | 4,290 | 4 | 1,142 | - |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 1 | 2,941 | 1 | 1,136 | - |
| Total expenses | 1 | 2,941 | 1 | 1,136 | - |
| Net investment income (loss) | 4 | 1,349 | 3 | 6 | - |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (49) | 6,706 | (73) | (613) | (14) |
| Capital gains distributions | 19 | 40,232 | 46 | 7,780 | 4 |
| Total realized gain (loss) on investments and capital gains distributions | (30) | 46,938 | (27) | 7,167 | (10) |
| Net unrealized appreciation (depreciation) of investments | (137) | (183,479) | (123) | (54,249) | (7) |
| Net realized and unrealized gain (loss) on investments | (167) | (136,541) | (150) | (47,082) | (17) |
| Net increase (decrease) in net assets resulting from operations | \$ (163) | \$ (135,192) | \$ (147) | \$ (47,076) | \$ (17) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | ING VP Small Company Portfolio - Class I | ING VP Small Company Portfolio - Class S | ING VP Financial Services Portfolio - Class I | ING VP International Value Portfolio - Class I | ING VP International Value Portfolio - Class S |
|------------------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 1,196 | \$ 1 | \$ 53 | \$ 3,575 | \$ 11 |
| Total investment income | 1,196 | 1 | 53 | 3,575 | 11 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 1,122 | - | 24 | 1,215 | 2 |
| Total expenses | 1,122 | - | 24 | 1,215 | 2 |
| Net investment income (loss) | 74 | 1 | 29 | 2,360 | 9 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (768) | (21) | (1,155) | (5,480) | (149) |
| Capital gains distributions | 15,135 | 14 | 200 | 20,149 | 75 |
| Total realized gain (loss) on investments and capital gains distributions | 14,367 | (7) | (955) | 14,669 | (74) |
| Net unrealized appreciation (depreciation) of investments | (55,736) | (40) | 393 | (85,517) | (155) |
| Net realized and unrealized gain (loss) on investments | (41,369) | (47) | (562) | (70,848) | (229) |
| Net increase (decrease) in net assets resulting from operations | \$ (41,295) | \$ (46) | \$ (533) | \$ (68,488) | \$ (220) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | ING VP MidCap Opportunities Portfolio - Class I | ING VP MidCap Opportunities Portfolio - Class S | ING VP Real Estate Portfolio - Class I | ING VP SmallCap Opportunities Portfolio - Class I | ING VP SmallCap Opportunities Portfolio - Class S |
|------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------|-------------------------------------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ - | \$ - | \$ 870 | \$ - | \$ - |
| Total investment income | - | - | 870 | - | - |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 108 | 1 | 338 | 90 | - |
| Total expenses | 108 | 1 | 338 | 90 | - |
| Net investment income (loss) | (108) | (1) | 532 | (90) | - |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | 334 | (20) | (14,423) | (28) | (14) |
| Capital gains distributions | - | - | 8,841 | 1,731 | 13 |
| Total realized gain (loss) on investments and capital gains distributions | 334 | (20) | (5,582) | 1,703 | (1) |
| Net unrealized appreciation (depreciation) of investments | (5,295) | (47) | 6,008 | (6,117) | (19) |
| Net realized and unrealized gain (loss) on investments | (4,961) | (67) | 426 | (4,414) | (20) |
| Net increase (decrease) in net assets resulting from operations | \$ (5,069) | \$ (68) | \$ 958 | \$ (4,504) | \$ (20) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | ING VP Balanced Portfolio - Class I | ING VP Intermediate Bond Portfolio - Class I | ING VP Intermediate Bond Portfolio - Class S | ING VP Money Market Portfolio - Class I | Janus Adviser Balanced Fund - Class S |
|------------------------------------------------------------------------------|--------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 15,681 | \$ 21,773 | \$ 13 | \$ 26,796 | \$ - |
| Total investment income | 15,681 | 21,773 | 13 | 26,796 | - |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 4,676 | 4,085 | 1 | 4,169 | - |
| Total expenses | 4,676 | 4,085 | 1 | 4,169 | - |
| Net investment income (loss) | 11,005 | 17,688 | 12 | 22,627 | - |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (28,188) | (4,120) | (10) | 1,312 | - |
| Capital gains distributions | 40,557 | 10,193 | 6 | - | - |
| Total realized gain (loss) on investments and capital gains distributions | 12,369 | 6,073 | (4) | 1,312 | - |
| Net unrealized appreciation (depreciation) of investments | (162,838) | (62,449) | (30) | (14,424) | - |
| Net realized and unrealized gain (loss) on investments | (150,469) | (56,376) | (34) | (13,112) | - |
| Net increase (decrease) in net assets resulting from operations | \$ (139,464) | \$ (38,688) | \$ (22) | \$ 9,515 | \$ - |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | Janus Aspen Series Balanced Portfolio - Institutional Shares | Janus Aspen Series Flexible Bond Portfolio - Institutional Shares | Janus Aspen Series Large Cap Growth Portfolio - Institutional Shares | Janus Aspen Series Mid Cap Growth Portfolio - Institutional Shares | Janus Aspen Series Worldwide Growth Portfolio - Institutional Shares |
|------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 7 | \$ 4 | \$ 1 | \$ 1 | \$ 3 |
| Total investment income | 7 | 4 | 1 | 1 | 3 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 3 | 1 | 1 | 5 | 3 |
| Total expenses | 3 | 1 | 1 | 5 | 3 |
| Net investment income (loss) | 4 | 3 | - | (4) | - |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | 13 | - | 13 | 27 | 26 |
| Capital gains distributions | 20 | - | - | 23 | - |
| Total realized gain (loss) on investments and capital gains distributions | 33 | - | 13 | 50 | 26 |
| Net unrealized appreciation (depreciation) of investments | (88) | 1 | (68) | (243) | (156) |
| Net realized and unrealized gain (loss) on investments | (55) | 1 | (55) | (193) | (130) |
| Net increase (decrease) in net assets resulting from operations | \$ (51) | \$ 4 | \$ (55) | \$ (197) | \$ (130) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | Lazard U.S. Mid Cap Equity Portfolio - Open Shares | LKCM Aquinas Growth Fund | Loomis Sayles Small Cap Value Fund - Retail Class | Lord Abbett Mid-Cap Value Fund, Inc. - Class A | Lord Abbett Small-Cap Value Fund - Class A |
|------------------------------------------------------------------------------|-----------------------------------------------------------------------|-------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 8 | \$ - | \$ 3 | \$ 18 | \$ 3 |
| Total investment income | 8 | - | 3 | 18 | 3 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 3 | 3 | 1 | 11 | 14 |
| Total expenses | 3 | 3 | 1 | 11 | 14 |
| Net investment income (loss) | 5 | (3) | 2 | 7 | (11) |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (45) | (1) | (7) | (152) | (57) |
| Capital gains distributions | - | - | - | 55 | - |
| Total realized gain (loss) on investments and capital gains distributions | (45) | (1) | (7) | (97) | (57) |
| Net unrealized appreciation (depreciation) of investments | (165) | (94) | 54 | (409) | (465) |
| Net realized and unrealized gain (loss) on investments | (210) | (95) | 47 | (506) | (522) |
| Net increase (decrease) in net assets resulting from operations | \$ (205) | \$ (98) | \$ 49 | \$ (499) | \$ (533) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | Lord Abbett Series Fund - Mid-Cap Value Portfolio - Class VC | Massachusetts Investors Growth Stock Fund - Class A | Moderate Allocation Portfolio | Morgan Stanley U.S. Small Cap Value Portfolio - Class I | Neuberger Berman Socially Responsive Fund® - Trust Class |
|------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 1,350 | \$ 2 | \$ - | \$ 9 | \$ 15 |
| Total investment income | 1,350 | 2 | - | 9 | 15 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 1,107 | 6 | - | - | 21 |
| Total expenses | 1,107 | 6 | - | - | 21 |
| Net investment income (loss) | 243 | (4) | - | 9 | (6) |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (4,263) | 27 | (3) | (44) | (25) |
| Capital gains distributions | 4,511 | - | - | 36 | 33 |
| Total realized gain (loss) on investments and capital gains distributions | 248 | 27 | (3) | (8) | 8 |
| Net unrealized appreciation (depreciation) of investments | (54,679) | (270) | 1 | (215) | (1,057) |
| Net realized and unrealized gain (loss) on investments | (54,431) | (243) | (2) | (223) | (1,049) |
| Net increase (decrease) in net assets resulting from operations | \$ (54,188) | \$ (247) | \$ (2) | \$ (214) | \$ (1,055) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | New Perspective Fund®, Inc. - Class R-3 | New Perspective Fund®, Inc. - Class R-4 | Oppenheimer Capital Appreciation Fund - Class A | Oppenheimer Developing Markets Fund - Class A | Oppenheimer Global Securities/VA |
|------------------------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------|------------------------------------------------------------------|-------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 60 | \$ 1,046 | \$ - | \$ 2,505 | \$ 7 |
| Total investment income | 60 | 1,046 | - | 2,505 | 7 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 10 | 398 | 5 | 1,846 | 4 |
| Total expenses | 10 | 398 | 5 | 1,846 | 4 |
| Net investment income (loss) | 50 | 648 | (5) | 659 | 3 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (98) | 168 | 10 | 6,594 | (25) |
| Capital gains distributions | 202 | 2,939 | - | 37,340 | 32 |
| Total realized gain (loss) on investments and capital gains distributions | 104 | 3,107 | 10 | 43,934 | 7 |
| Net unrealized appreciation (depreciation) of investments | (1,754) | (24,241) | (301) | (155,001) | (203) |
| Net realized and unrealized gain (loss) on investments | (1,650) | (21,134) | (291) | (111,067) | (196) |
| Net increase (decrease) in net assets resulting from operations | \$ (1,600) | \$ (20,486) | \$ (296) | \$ (110,408) | \$ (193) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | Oppenheimer Main Street Fund®/VA | Oppenheimer Main Street Small Cap Fund®/VA | Oppenheimer MidCap Fund/VA | Oppenheimer Strategic Bond Fund/VA | Pax World Balanced Fund |
|------------------------------------------------------------------------------|-------------------------------------------------|---------------------------------------------------------------|-------------------------------------------|---------------------------------------------------|------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 1 | \$ 30 | \$ - | \$ 6 | \$ 1,035 |
| Total investment income | 1 | 30 | - | 6 | 1,035 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 1 | 64 | - | 1 | 558 |
| Total expenses | 1 | 64 | - | 1 | 558 |
| Net investment income (loss) | - | (34) | - | 5 | 477 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | 1 | (223) | (2) | - | (506) |
| Capital gains distributions | 6 | 329 | - | 1 | 624 |
| Total realized gain (loss) on investments and capital gains distributions | 7 | 106 | (2) | 1 | 118 |
| Net unrealized appreciation (depreciation) of investments | (50) | (2,871) | (13) | (25) | (21,064) |
| Net realized and unrealized gain (loss) on investments | (43) | (2,765) | (15) | (24) | (20,946) |
| Net increase (decrease) in net assets resulting from operations | <u>\$ (43)</u> | <u>\$ (2,799)</u> | <u>\$ (15)</u> | <u>\$ (19)</u> | <u>\$ (20,469)</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | PIMCO Real Return Portfolio - Administrative Class | Pioneer High Yield Fund - Class A | Pioneer Emerging Markets VCT Portfolio - Class I | Pioneer Equity Income VCT Portfolio - Class I | Pioneer High Yield VCT Portfolio - Class I |
|------------------------------------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------|-------------------------------------------------------------------------|------------------------------------------------------------------|---------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 2,185 | \$ 219 | \$ 88 | \$ 16 | \$ 1,435 |
| Total investment income | 2,185 | 219 | 88 | 16 | 1,435 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 608 | 21 | 211 | 4 | 173 |
| Total expenses | 608 | 21 | 211 | 4 | 173 |
| Net investment income (loss) | 1,577 | 198 | (123) | 12 | 1,262 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (881) | (60) | (2,837) | (300) | (651) |
| Capital gains distributions | 105 | 37 | 3,650 | 68 | 187 |
| Total realized gain (loss) on investments and capital gains distributions | (776) | (23) | 813 | (232) | (464) |
| Net unrealized appreciation (depreciation) of investments | (8,434) | (1,613) | (18,300) | 101 | (7,575) |
| Net realized and unrealized gain (loss) on investments | (9,210) | (1,636) | (17,487) | (131) | (8,039) |
| Net increase (decrease) in net assets resulting from operations | \$ (7,633) | \$ (1,438) | \$ (17,610) | \$ (119) | \$ (6,777) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | Pioneer Mid Cap Value VCT Portfolio - Class I | Premier VIT OpCap Mid Cap Portfolio | RiverSource Diversified Equity Income Fund - Class R-4 | SMALLCAP World Fund® - Class R-4 | T. Rowe Price Mid-Cap Value Fund - R Class |
|------------------------------------------------------------------------------|------------------------------------------------------------------|----------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 6 | \$ 6 | \$ 13 | \$ - | \$ 4 |
| Total investment income | 6 | 6 | 13 | - | 4 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 2 | 14 | 4 | 2 | 7 |
| Total expenses | 2 | 14 | 4 | 2 | 7 |
| Net investment income (loss) | 4 | (8) | 9 | (2) | (3) |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (132) | (164) | (18) | (77) | (19) |
| Capital gains distributions | 40 | 156 | - | - | 11 |
| Total realized gain (loss) on investments and capital gains distributions | (92) | (8) | (18) | (77) | (8) |
| Net unrealized appreciation (depreciation) of investments | 36 | (1,105) | (251) | (150) | (367) |
| Net realized and unrealized gain (loss) on investments | (56) | (1,113) | (269) | (227) | (375) |
| Net increase (decrease) in net assets resulting from operations | \$ (52) | \$ (1,121) | \$ (260) | \$ (229) | \$ (378) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | T. Rowe Price Value Fund - Advisor Class | Templeton Foreign Fund - Class A | Templeton Global Bond Fund - Class A | Diversified Value Portfolio | Equity Income Portfolio |
|------------------------------------------------------------------------------|---------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------|----------------------------------------|------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 1 | \$ 31 | \$ 8,285 | \$ 3 | \$ 9 |
| Total investment income | 1 | 31 | 8,285 | 3 | 9 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 1 | 11 | 980 | 1 | 3 |
| Total expenses | 1 | 11 | 980 | 1 | 3 |
| Net investment income (loss) | - | 20 | 7,305 | 2 | 6 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (1) | (92) | 440 | (1) | (33) |
| Capital gains distributions | - | 195 | - | 6 | 24 |
| Total realized gain (loss) on investments and capital gains distributions | (1) | 103 | 440 | 5 | (9) |
| Net unrealized appreciation (depreciation) of investments | (27) | (749) | (3,683) | (51) | (93) |
| Net realized and unrealized gain (loss) on investments | (28) | (646) | (3,243) | (46) | (102) |
| Net increase (decrease) in net assets resulting from operations | \$ (28) | \$ (626) | \$ 4,062 | \$ (44) | \$ (96) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | Small Company Growth Portfolio | Wanger International | Wanger Select | Wanger USA | Washington Mutual Investors FundSM, Inc. - Class R-3 |
|------------------------------------------------------------------------------|-----------------------------------------------|---------------------------------|----------------------|-------------------|----------------------------------------------------------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ - | \$ 82 | \$ - | \$ - | \$ 105 |
| Total investment income | - | 82 | - | - | 105 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 1 | 76 | 471 | 179 | 34 |
| Total expenses | 1 | 76 | 471 | 179 | 34 |
| Net investment income (loss) | (1) | 6 | (471) | (179) | 71 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (1) | (1,593) | (352) | (280) | (64) |
| Capital gains distributions | 8 | 1,238 | 1,728 | 2,251 | 88 |
| Total realized gain (loss) on investments and capital gains distributions | 7 | (355) | 1,376 | 1,971 | 24 |
| Net unrealized appreciation (depreciation) of investments | (45) | (5,402) | (35,291) | (11,029) | (1,954) |
| Net realized and unrealized gain (loss) on investments | (38) | (5,757) | (33,915) | (9,058) | (1,930) |
| Net increase (decrease) in net assets resulting from operations | \$ (39) | \$ (5,751) | \$ (34,386) | \$ (9,237) | \$ (1,859) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Operations
For the year ended December 31, 2008
(Dollars in thousands)

| | Washington Mutual Investors FundSM, Inc. - Class R-4 | Wells Fargo Advantage Small Cap Value Fund - Class A |
|------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| Net investment income (loss) | | |
| Income: | | |
| Dividends | \$ 1,949 | \$ - |
| Total investment income | 1,949 | - |
| Expenses: | | |
| Mortality, expense risk and other charges | 783 | 1 |
| Total expenses | 783 | 1 |
| Net investment income (loss) | 1,166 | (1) |
| Realized and unrealized gain (loss) on investments | | |
| Net realized gain (loss) on investments | (384) | (8) |
| Capital gains distributions | 1,363 | - |
| Total realized gain (loss) on investments and capital gains distributions | 979 | (8) |
| Net unrealized appreciation (depreciation) of investments | (33,169) | (23) |
| Net realized and unrealized gain (loss) on investments | (32,190) | (31) |
| Net increase (decrease) in net assets resulting from operations | \$ (31,024) | \$ (32) |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | AIM Mid Cap Core Equity Fund - Class A | AIM Small Cap Growth Fund - Class A | AIM Global Health Care Fund - Investor Class | AIM V.I. Capital Appreciation Fund - Series I Shares |
|------------------------------------------------------------------------------|----------------------------------------------|-------------------------------------------|-------------------------------------------------------|------------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 234 | \$ 17 | \$ 114 | \$ 32,996 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 1 | - | (2) | (363) |
| Total realized gain (loss) on investments and capital gains distributions | 44 | 5 | 13 | 1,891 |
| Net unrealized appreciation (depreciation) of investments | (23) | (3) | - | 1,877 |
| Net increase (decrease) in net assets from operations | 22 | 2 | 11 | 3,405 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 14 | 15 | 19 | (2,945) |
| Net increase (decrease) in assets derived from principal transactions | 14 | 15 | 19 | (2,945) |
| Total increase (decrease) in net assets | 36 | 17 | 30 | 460 |
| Net assets at December 31, 2007 | 270 | 34 | 144 | 33,456 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | - | (2) | (270) |
| Total realized gain (loss) on investments and capital gains distributions | (19) | (8) | - | 831 |
| Net unrealized appreciation (depreciation) of investments | (65) | (11) | (44) | (14,466) |
| Net increase (decrease) in net assets from operations | (84) | (19) | (46) | (13,905) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 46 | 5 | 24 | (1,680) |
| Net increase (decrease) in assets derived from principal transactions | 46 | 5 | 24 | (1,680) |
| Total increase (decrease) in net assets | (38) | (14) | (22) | (15,585) |
| Net assets at December 31, 2008 | <u>\$ 232</u> | <u>\$ 20</u> | <u>\$ 122</u> | <u>\$ 17,871</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | AIM V.I. Core Equity Fund - Series I Shares | AllianceBernstein Growth and Income Fund, Inc. - Class A | AllianceBernstein Growth and Income Portfolio - Class A | Allianz NFJ Large-Cap Value Fund - Institutional Class |
|------------------------------------------------------------------------------|------------------------------------------------------------|-----------------------------------------------------------------------------|----------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 49,719 | \$ 65 | \$ 557 | \$ - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 13 | - | 2 | - |
| Total realized gain (loss) on investments and capital gains distributions | 1,463 | 11 | 51 | - |
| Net unrealized appreciation (depreciation) of investments | 1,934 | (9) | (28) | - |
| Net increase (decrease) in net assets from operations | 3,410 | 2 | 25 | - |
| Changes from contract transactions: | | | | |
| Total unit transactions | (4,904) | 53 | 63 | - |
| Net increase (decrease) in assets derived from principal transactions | (4,904) | 53 | 63 | - |
| Total increase (decrease) in net assets | (1,494) | 55 | 88 | - |
| Net assets at December 31, 2007 | 48,225 | 120 | 645 | - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 466 | 2 | 5 | 8 |
| Total realized gain (loss) on investments and capital gains distributions | 1,359 | (5) | 60 | (120) |
| Net unrealized appreciation (depreciation) of investments | (16,338) | (78) | (321) | (110) |
| Net increase (decrease) in net assets from operations | (14,513) | (81) | (256) | (222) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (2,058) | 107 | (18) | 802 |
| Net increase (decrease) in assets derived from principal transactions | (2,058) | 107 | (18) | 802 |
| Total increase (decrease) in net assets | (16,571) | 26 | (274) | 580 |
| Net assets at December 31, 2008 | <u>\$ 31,654</u> | <u>\$ 146</u> | <u>\$ 371</u> | <u>\$ 580</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | Allianz NFJ Small-Cap Value Fund - Class A | Amana Growth Fund | Amana Income Fund | American Balanced Fund® - Class R-3 |
|------------------------------------------------------------------------------|---------------------------------------------------------------|------------------------------|------------------------------|--------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 477 | \$ - | \$ - | \$ 5,014 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 4 | - | - | 91 |
| Total realized gain (loss) on investments and capital gains distributions | 62 | - | - | 206 |
| Net unrealized appreciation (depreciation) of investments | (42) | - | - | (7) |
| Net increase (decrease) in net assets from operations | 24 | - | - | 290 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (47) | - | - | 1,057 |
| Net increase (decrease) in assets derived from principal transactions | (47) | - | - | 1,057 |
| Total increase (decrease) in net assets | (23) | - | - | 1,347 |
| Net assets at December 31, 2007 | 454 | - | - | 6,361 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | - | - | 113 |
| Total realized gain (loss) on investments and capital gains distributions | 9 | - | - | (50) |
| Net unrealized appreciation (depreciation) of investments | (140) | 1 | 1 | (1,566) |
| Net increase (decrease) in net assets from operations | (131) | 1 | 1 | (1,503) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 13 | 35 | 45 | (792) |
| Net increase (decrease) in assets derived from principal transactions | 13 | 35 | 45 | (792) |
| Total increase (decrease) in net assets | (118) | 36 | 46 | (2,295) |
| Net assets at December 31, 2008 | <u>\$ 336</u> | <u>\$ 36</u> | <u>\$ 46</u> | <u>\$ 4,066</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | American Century Income & Growth Fund - A Class | Ariel Appreciation Fund | Ariel Fund | Artisan International Fund - Investor Shares |
|------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------------|---------------|-------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 5,990 | \$ 629 | \$ 660 | \$ - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 13 | (4) | (7) | - |
| Total realized gain (loss) on investments and capital gains distributions | 950 | 69 | 72 | - |
| Net unrealized appreciation (depreciation) of investments | (1,042) | (83) | (101) | - |
| Net increase (decrease) in net assets from operations | (79) | (18) | (36) | - |
| Changes from contract transactions: | | | | |
| Total unit transactions | (314) | (33) | 214 | - |
| Net increase (decrease) in assets derived from principal transactions | (314) | (33) | 214 | - |
| Total increase (decrease) in net assets | (393) | (51) | 178 | - |
| Net assets at December 31, 2007 | 5,597 | 578 | 838 | - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 24 | (2) | 2 | 3 |
| Total realized gain (loss) on investments and capital gains distributions | (228) | 29 | (68) | (43) |
| Net unrealized appreciation (depreciation) of investments | (1,827) | (284) | (363) | (33) |
| Net increase (decrease) in net assets from operations | (2,031) | (257) | (429) | (73) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 139 | 74 | 229 | 397 |
| Net increase (decrease) in assets derived from principal transactions | 139 | 74 | 229 | 397 |
| Total increase (decrease) in net assets | (1,892) | (183) | (200) | 324 |
| Net assets at December 31, 2008 | <u>\$ 3,705</u> | <u>\$ 395</u> | <u>\$ 638</u> | <u>\$ 324</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | The Bond Fund of AmericaSM, Inc. - Class R-4 | Calvert Social Balanced Portfolio | Capital One Mid Cap Equity Fund - Class A | ColumbiaSM Acorn Fund® - Class Z |
|------------------------------------------------------------------------------|------------------------------------------------------------------------|--------------------------------------------------|----------------------------------------------------------|------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ - | \$ 65,397 | \$ 96 | \$ - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | 801 | (1) | - |
| Total realized gain (loss) on investments and capital gains distributions | - | 2,760 | 14 | - |
| Net unrealized appreciation (depreciation) of investments | - | (2,483) | (12) | - |
| Net increase (decrease) in net assets from operations | - | 1,078 | 1 | - |
| Changes from contract transactions: | | | | |
| Total unit transactions | - | (7,007) | (10) | - |
| Net increase (decrease) in assets derived from principal transactions | - | (7,007) | (10) | - |
| Total increase (decrease) in net assets | - | (5,929) | (9) | - |
| Net assets at December 31, 2007 | - | 59,468 | 87 | - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 33 | 676 | (1) | 1 |
| Total realized gain (loss) on investments and capital gains distributions | (77) | (853) | (58) | (50) |
| Net unrealized appreciation (depreciation) of investments | (82) | (17,531) | 14 | (283) |
| Net increase (decrease) in net assets from operations | (126) | (17,708) | (45) | (332) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 2,055 | (5,870) | (42) | 1,139 |
| Net increase (decrease) in assets derived from principal transactions | 2,055 | (5,870) | (42) | 1,139 |
| Total increase (decrease) in net assets | 1,929 | (23,578) | (87) | 807 |
| Net assets at December 31, 2008 | <u>\$ 1,929</u> | <u>\$ 35,890</u> | <u>\$ -</u> | <u>\$ 807</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | Columbia Mid Cap Value Fund - Class A | Columbia Mid Cap Value Fund - Class Z | DWS Equity 500 Index Fund - Class S | EuroPacific Growth Fund® - Class R-3 |
|------------------------------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|----------------------------------------------------|-----------------------------------------------------|
| Net assets at January 1, 2007 | \$ - | \$ - | \$ 167 | \$ 3,767 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | - | 2 | 109 |
| Total realized gain (loss) on investments and capital gains distributions | - | - | 4 | 789 |
| Net unrealized appreciation (depreciation) of investments | - | - | 2 | 189 |
| Net increase (decrease) in net assets from operations | - | - | 8 | 1,087 |
| Changes from contract transactions: | | | | |
| Total unit transactions | - | - | 53 | 4,740 |
| Net increase (decrease) in assets derived from principal transactions | - | - | 53 | 4,740 |
| Total increase (decrease) in net assets | - | - | 61 | 5,827 |
| Net assets at December 31, 2007 | - | - | 228 | 9,594 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 8 | 6 | 2 | 110 |
| Total realized gain (loss) on investments and capital gains distributions | (19) | (25) | (5) | 416 |
| Net unrealized appreciation (depreciation) of investments | (61) | (194) | (96) | (5,005) |
| Net increase (decrease) in net assets from operations | (72) | (213) | (99) | (4,479) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 1,647 | 774 | 39 | 2,137 |
| Net increase (decrease) in assets derived from principal transactions | 1,647 | 774 | 39 | 2,137 |
| Total increase (decrease) in net assets | 1,575 | 561 | (60) | (2,342) |
| Net assets at December 31, 2008 | <u>\$ 1,575</u> | <u>\$ 561</u> | <u>\$ 168</u> | <u>\$ 7,252</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | EuroPacific Growth Fund® - Class R-4 | Evergreen Special Values Fund - Class A | Fidelity® VIP Equity-Income Portfolio - Initial Class | Fidelity® VIP Growth Portfolio - Initial Class |
|------------------------------------------------------------------------------|-----------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------------|-------------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 141,230 | \$ 105,934 | \$ 455,731 | \$ 295,822 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 2,066 | 64 | 3,389 | (665) |
| Total realized gain (loss) on investments and capital gains distributions | 17,925 | 19,811 | 42,721 | (13,059) |
| Net unrealized appreciation (depreciation) of investments | 8,161 | (29,475) | (42,979) | 84,086 |
| Net increase (decrease) in net assets from operations | 28,152 | (9,600) | 3,131 | 70,362 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 43,512 | (1,772) | (32,334) | (36,470) |
| Net increase (decrease) in assets derived from principal transactions | 43,512 | (1,772) | (32,334) | (36,470) |
| Total increase (decrease) in net assets | 71,664 | (11,372) | (29,203) | 33,892 |
| Net assets at December 31, 2007 | 212,894 | 94,562 | 426,528 | 329,714 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 2,254 | 28 | 4,655 | (560) |
| Total realized gain (loss) on investments and capital gains distributions | 8,005 | (4,341) | (8,493) | (11,477) |
| Net unrealized appreciation (depreciation) of investments | (111,600) | (25,388) | (167,463) | (137,412) |
| Net increase (decrease) in net assets from operations | (101,341) | (29,701) | (171,301) | (149,449) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 44,205 | (2,705) | (41,916) | (21,170) |
| Net increase (decrease) in assets derived from principal transactions | 44,205 | (2,705) | (41,916) | (21,170) |
| Total increase (decrease) in net assets | (57,136) | (32,406) | (213,217) | (170,619) |
| Net assets at December 31, 2008 | <u>\$ 155,758</u> | <u>\$ 62,156</u> | <u>\$ 213,311</u> | <u>\$ 159,095</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | Fidelity® VIP High Income Portfolio - Initial Class | Fidelity® VIP Overseas Portfolio - Initial Class | Fidelity® VIP Contrafund® Portfolio - Initial Class | Fidelity® VIP Index 500 Portfolio - Initial Class |
|---------------------------------------------------------------------------|------------------------------------------------------------------------|---------------------------------------------------------------------|------------------------------------------------------------------------|----------------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 7,752 | \$ 51,710 | \$ 1,176,582 | \$ 128,845 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 550 | 1,300 | (778) | 3,367 |
| Total realized gain (loss) on investments and capital gains distributions | (31) | 7,491 | 362,570 | 156 |
| Net unrealized appreciation (depreciation) of investments | (389) | (637) | (173,527) | 2,132 |
| Net increase (decrease) in net assets from operations | 130 | 8,154 | 188,265 | 5,655 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (326) | 834 | (53,290) | (7,802) |
| Net increase (decrease) in assets derived from principal transactions | (326) | 834 | (53,290) | (7,802) |
| Total increase (decrease) in net assets | (196) | 8,988 | 134,975 | (2,147) |
| Net assets at December 31, 2007 | 7,556 | 60,698 | 1,311,557 | 126,698 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 488 | 686 | 241 | 1,216 |
| Total realized gain (loss) on investments and capital gains distributions | (251) | 6,331 | 20,067 | 406 |
| Net unrealized appreciation (depreciation) of investments | (2,028) | (32,555) | (575,536) | (47,617) |
| Net increase (decrease) in net assets from operations | (1,791) | (25,538) | (555,228) | (45,995) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (749) | (5,495) | (34,065) | (5,564) |
| Net increase (decrease) in assets derived from principal transactions | (749) | (5,495) | (34,065) | (5,564) |
| Total increase (decrease) in net assets | (2,540) | (31,033) | (589,293) | (51,559) |
| Net assets at December 31, 2008 | \$ 5,016 | \$ 29,665 | \$ 722,264 | \$ 75,139 |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | Fidelity® VIP Mid Cap Portfolio - Initial Class | Fidelity® VIP Asset ManagerSM Portfolio - Initial Class | Mutual Discovery Fund - Class R | Franklin Small- Mid Cap Growth Fund - Class A |
|------------------------------------------------------------------------------|--------------------------------------------------------------------|-------------------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 5,451 | \$ 18,360 | \$ 1,438 | \$ 556 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 71 | 986 | 30 | (8) |
| Total realized gain (loss) on investments and capital gains distributions | 554 | 535 | 82 | 135 |
| Net unrealized appreciation (depreciation) of investments | 341 | 995 | 39 | (69) |
| Net increase (decrease) in net assets from operations | 966 | 2,516 | 151 | 58 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 3,555 | (616) | 856 | 153 |
| Net increase (decrease) in assets derived from principal transactions | 3,555 | (616) | 856 | 153 |
| Total increase (decrease) in net assets | 4,521 | 1,900 | 1,007 | 211 |
| Net assets at December 31, 2007 | 9,972 | 20,260 | 2,445 | 767 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 49 | 345 | 11 | (4) |
| Total realized gain (loss) on investments and capital gains distributions | 1,221 | 1,670 | 108 | (39) |
| Net unrealized appreciation (depreciation) of investments | (5,975) | (8,664) | (884) | (243) |
| Net increase (decrease) in net assets from operations | (4,705) | (6,649) | (765) | (286) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 2,739 | 1,949 | 387 | (85) |
| Net increase (decrease) in assets derived from principal transactions | 2,739 | 1,949 | 387 | (85) |
| Total increase (decrease) in net assets | (1,966) | (4,700) | (378) | (371) |
| Net assets at December 31, 2008 | <u>\$ 8,006</u> | <u>\$ 15,560</u> | <u>\$ 2,067</u> | <u>\$ 396</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | Franklin Small Cap Value Securities Fund - Class 2 | Fundamental Investors, Inc. - Class R-3 | Fundamental Investors, Inc. - Class R-4 | The Growth Fund of America® - Class R-3 |
|------------------------------------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 88,521 | \$ - | \$ - | \$ 7,813 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (354) | - | - | 17 |
| Total realized gain (loss) on investments and capital gains distributions | 10,632 | - | - | 884 |
| Net unrealized appreciation (depreciation) of investments | (13,832) | - | - | (45) |
| Net increase (decrease) in net assets from operations | (3,554) | - | - | 856 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 6,669 | - | - | 3,773 |
| Net increase (decrease) in assets derived from principal transactions | 6,669 | - | - | 3,773 |
| Total increase (decrease) in net assets | 3,115 | - | - | 4,629 |
| Net assets at December 31, 2007 | 91,636 | - | - | 12,442 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 189 | - | 28 | (8) |
| Total realized gain (loss) on investments and capital gains distributions | 6,374 | - | (83) | (22) |
| Net unrealized appreciation (depreciation) of investments | (37,896) | - | (1,214) | (5,721) |
| Net increase (decrease) in net assets from operations | (31,333) | - | (1,269) | (5,751) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 3,170 | 13 | 9,549 | 2,867 |
| Net increase (decrease) in assets derived from principal transactions | 3,170 | 13 | 9,549 | 2,867 |
| Total increase (decrease) in net assets | (28,163) | 13 | 8,280 | (2,884) |
| Net assets at December 31, 2008 | <u>\$ 63,473</u> | <u>\$ 13</u> | <u>\$ 8,280</u> | <u>\$ 9,558</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | The Growth Fund of America® - Class R-4 | The Income Fund of America® - Class R-3 | ING Financial Services Fund - Class A | ING Real Estate Fund - Class A |
|------------------------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------|-------------------------------------------|
| Net assets at January 1, 2007 | \$ 196,584 | \$ 1,032 | \$ 84 | \$ 2,373 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 178 | 34 | 1 | 42 |
| Total realized gain (loss) on investments and capital gains distributions | 17,791 | 96 | 18 | 321 |
| Net unrealized appreciation (depreciation) of investments | 2,330 | (114) | (37) | (765) |
| Net increase (decrease) in net assets from operations | 20,299 | 16 | (18) | (402) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 31,895 | 612 | 70 | (48) |
| Net increase (decrease) in assets derived from principal transactions | 31,895 | 612 | 70 | (48) |
| Total increase (decrease) in net assets | 52,194 | 628 | 52 | (450) |
| Net assets at December 31, 2007 | 248,778 | 1,660 | 136 | 1,923 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (20) | 61 | 1 | 42 |
| Total realized gain (loss) on investments and capital gains distributions | 382 | (31) | (8) | (103) |
| Net unrealized appreciation (depreciation) of investments | (110,408) | (621) | (56) | (668) |
| Net increase (decrease) in net assets from operations | (110,046) | (591) | (63) | (729) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 42,388 | 466 | 28 | 163 |
| Net increase (decrease) in assets derived from principal transactions | 42,388 | 466 | 28 | 163 |
| Total increase (decrease) in net assets | (67,658) | (125) | (35) | (566) |
| Net assets at December 31, 2008 | <u>\$ 181,120</u> | <u>\$ 1,535</u> | <u>\$ 101</u> | <u>\$ 1,357</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING GNMA Income Fund - Class A | ING Intermediate Bond Fund - Class A | ING AllianceBernstein Mid Cap Growth Portfolio - Service Class | ING BlackRock Large Cap Growth Portfolio - Institutional Class |
|------------------------------------------------------------------------------|--------------------------------------|-----------------------------------------------|----------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 973 | \$ 1,633 | \$ 3,286 | \$ - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 36 | 85 | (33) | (879) |
| Total realized gain (loss) on investments and capital gains distributions | (4) | (8) | (317) | - |
| Net unrealized appreciation (depreciation) of investments | 25 | 35 | 554 | (1,934) |
| Net increase (decrease) in net assets from operations | 57 | 112 | 204 | (2,813) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 375 | 1,319 | 401 | 118,751 |
| Net increase (decrease) in assets derived from principal transactions | 375 | 1,319 | 401 | 118,751 |
| Total increase (decrease) in net assets | 432 | 1,431 | 605 | 115,938 |
| Net assets at December 31, 2007 | 1,405 | 3,064 | 3,891 | 115,938 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 61 | 124 | (31) | (754) |
| Total realized gain (loss) on investments and capital gains distributions | - | 75 | 53 | 6,021 |
| Net unrealized appreciation (depreciation) of investments | 80 | (577) | (1,906) | (49,073) |
| Net increase (decrease) in net assets from operations | 141 | (378) | (1,884) | (43,806) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 1,289 | 795 | 26 | (8,829) |
| Net increase (decrease) in assets derived from principal transactions | 1,289 | 795 | 26 | (8,829) |
| Total increase (decrease) in net assets | 1,430 | 417 | (1,858) | (52,635) |
| Net assets at December 31, 2008 | <u>\$ 2,835</u> | <u>\$ 3,481</u> | <u>\$ 2,033</u> | <u>\$ 63,303</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING BlackRock Large Cap Growth Portfolio - Service Class | ING BlackRock Large Cap Growth Portfolio - Service 2 Class | ING Evergreen Health Sciences Portfolio - Service Class | ING Evergreen Omega Portfolio - Service Class |
|------------------------------------------------------------------------------|---------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ - | \$ - | \$ 4,440 | \$ - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | - | (48) | - |
| Total realized gain (loss) on investments and capital gains distributions | 1 | - | 395 | - |
| Net unrealized appreciation (depreciation) of investments | - | (2) | 13 | - |
| Net increase (decrease) in net assets from operations | 1 | (2) | 360 | - |
| Changes from contract transactions: | | | | |
| Total unit transactions | 42 | 149 | 1,456 | - |
| Net increase (decrease) in assets derived from principal transactions | 42 | 149 | 1,456 | - |
| Total increase (decrease) in net assets | 43 | 147 | 1,816 | - |
| Net assets at December 31, 2007 | 43 | 147 | 6,256 | - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | - | (52) | - |
| Total realized gain (loss) on investments and capital gains distributions | 7 | (11) | 286 | (1) |
| Net unrealized appreciation (depreciation) of investments | (47) | (52) | (2,687) | - |
| Net increase (decrease) in net assets from operations | (40) | (63) | (2,453) | (1) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 83 | (5) | 3,395 | 36 |
| Net increase (decrease) in assets derived from principal transactions | 83 | (5) | 3,395 | 36 |
| Total increase (decrease) in net assets | 43 | (68) | 942 | 35 |
| Net assets at December 31, 2008 | <u>\$ 86</u> | <u>\$ 79</u> | <u>\$ 7,198</u> | <u>\$ 35</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING FMRSM Diversified Mid Cap Portfolio - Service Class | ING Global Real Estate Portfolio - Institutional Class | ING Global Resources Portfolio - Institutional Class | ING Global Resources Portfolio - Service Class |
|------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-----------------------------------------------------------------------------|-------------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 14,604 | \$ - | \$ - | \$ - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (154) | - | - | (869) |
| Total realized gain (loss) on investments and capital gains distributions | 403 | - | - | 10,253 |
| Net unrealized appreciation (depreciation) of investments | 1,812 | - | 4 | 18,114 |
| Net increase (decrease) in net assets from operations | 2,061 | - | 4 | 27,498 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 2,778 | - | 40 | 81,933 |
| Net increase (decrease) in assets derived from principal transactions | 2,778 | - | 40 | 81,933 |
| Total increase (decrease) in net assets | 4,839 | - | 44 | 109,431 |
| Net assets at December 31, 2007 | 19,443 | - | 44 | 109,431 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (5) | (121) | 1 | 814 |
| Total realized gain (loss) on investments and capital gains distributions | 1,477 | (913) | 6 | 16,984 |
| Net unrealized appreciation (depreciation) of investments | (11,681) | (15,512) | (24) | (74,214) |
| Net increase (decrease) in net assets from operations | (10,209) | (16,546) | (17) | (56,416) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 12,203 | 52,513 | (2) | 20,558 |
| Net increase (decrease) in assets derived from principal transactions | 12,203 | 52,513 | (2) | 20,558 |
| Total increase (decrease) in net assets | 1,994 | 35,967 | (19) | (35,858) |
| Net assets at December 31, 2008 | <u>\$ 21,437</u> | <u>\$ 35,967</u> | <u>\$ 25</u> | <u>\$ 73,573</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING Janus Contrarian Portfolio - Service Class | ING JPMorgan Emerging Markets Equity Portfolio - Adviser Class | ING JPMorgan Emerging Markets Equity Portfolio - Institutional Class | ING JPMorgan Emerging Markets Equity Portfolio - Service Class |
|------------------------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ - | \$ 57 | \$ 29,171 | \$ 21,610 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (5) | 1 | 58 | (32) |
| Total realized gain (loss) on investments and capital gains distributions | 2 | 19 | 3,940 | 2,380 |
| Net unrealized appreciation (depreciation) of investments | 13 | 30 | 6,939 | 6,767 |
| Net increase (decrease) in net assets from operations | 10 | 50 | 10,937 | 9,115 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 4,601 | 261 | 3,723 | 9,448 |
| Net increase (decrease) in assets derived from principal transactions | 4,601 | 261 | 3,723 | 9,448 |
| Total increase (decrease) in net assets | 4,611 | 311 | 14,660 | 18,563 |
| Net assets at December 31, 2007 | 4,611 | 368 | 43,831 | 40,173 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 6 | 9 | 512 | 387 |
| Total realized gain (loss) on investments and capital gains distributions | 750 | (101) | 3,302 | 2,968 |
| Net unrealized appreciation (depreciation) of investments | (5,728) | (153) | (25,117) | (22,553) |
| Net increase (decrease) in net assets from operations | (4,972) | (245) | (21,303) | (19,198) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 7,766 | 48 | (4,081) | (5,250) |
| Net increase (decrease) in assets derived from principal transactions | 7,766 | 48 | (4,081) | (5,250) |
| Total increase (decrease) in net assets | 2,794 | (197) | (25,384) | (24,448) |
| Net assets at December 31, 2008 | <u>\$ 7,405</u> | <u>\$ 171</u> | <u>\$ 18,447</u> | <u>\$ 15,725</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING JPMorgan Small Cap Core Equity Portfolio - Service Class | ING JPMorgan Value Opportunities Portfolio - Institutional Class | ING JPMorgan Value Opportunities Portfolio - Service Class | ING Julius Baer Foreign Portfolio - Service Class |
|------------------------------------------------------------------------------|-----------------------------------------------------------------------|---------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 1,643 | \$ 26 | \$ 824 | \$ 30,166 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (22) | 1 | 7 | (456) |
| Total realized gain (loss) on investments and capital gains distributions | 166 | 9 | 128 | 3,915 |
| Net unrealized appreciation (depreciation) of investments | (257) | (12) | (217) | 2,669 |
| Net increase (decrease) in net assets from operations | (113) | (2) | (82) | 6,128 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 938 | 48 | 1,097 | 23,557 |
| Net increase (decrease) in assets derived from principal transactions | 938 | 48 | 1,097 | 23,557 |
| Total increase (decrease) in net assets | 825 | 46 | 1,015 | 29,685 |
| Net assets at December 31, 2007 | 2,468 | 72 | 1,839 | 59,851 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (10) | 1 | 32 | (495) |
| Total realized gain (loss) on investments and capital gains distributions | 38 | (16) | (87) | 4,598 |
| Net unrealized appreciation (depreciation) of investments | (903) | (8) | (626) | (31,754) |
| Net increase (decrease) in net assets from operations | (875) | (23) | (681) | (27,651) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 536 | (21) | (32) | 1,138 |
| Net increase (decrease) in assets derived from principal transactions | 536 | (21) | (32) | 1,138 |
| Total increase (decrease) in net assets | (339) | (44) | (713) | (26,513) |
| Net assets at December 31, 2008 | <u>\$ 2,129</u> | <u>\$ 28</u> | <u>\$ 1,126</u> | <u>\$ 33,338</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING Legg Mason Value Portfolio - Service Class | ING Lord Abbett Affiliated Portfolio - Institutional Class | ING Lord Abbett Affiliated Portfolio - Service Class | ING Marsico Growth Portfolio - Institutional Class |
|------------------------------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------------------------|------------------------------------------------------------------|----------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 3,415 | \$ 1,068 | \$ - | \$ - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (45) | (572) | 6 | - |
| Total realized gain (loss) on investments and capital gains distributions | 136 | 232 | 11 | - |
| Net unrealized appreciation (depreciation) of investments | (434) | 2,393 | (30) | - |
| Net increase (decrease) in net assets from operations | (343) | 2,053 | (13) | - |
| Changes from contract transactions: | | | | |
| Total unit transactions | 1,322 | 128,642 | 529 | - |
| Net increase (decrease) in assets derived from principal transactions | 1,322 | 128,642 | 529 | - |
| Total increase (decrease) in net assets | 979 | 130,695 | 516 | - |
| Net assets at December 31, 2007 | 4,394 | 131,763 | 516 | - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (29) | 2,313 | 13 | 13 |
| Total realized gain (loss) on investments and capital gains distributions | (944) | 9,152 | 66 | (350) |
| Net unrealized appreciation (depreciation) of investments | (1,123) | (57,524) | (350) | (2,548) |
| Net increase (decrease) in net assets from operations | (2,096) | (46,059) | (271) | (2,885) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (850) | (12,544) | 261 | 8,099 |
| Net increase (decrease) in assets derived from principal transactions | (850) | (12,544) | 261 | 8,099 |
| Total increase (decrease) in net assets | (2,946) | (58,603) | (10) | 5,214 |
| Net assets at December 31, 2008 | <u>\$ 1,448</u> | <u>\$ 73,160</u> | <u>\$ 506</u> | <u>\$ 5,214</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING Marsico Growth Portfolio - Service Class | ING Marsico International Opportunities Portfolio - Adviser Class | ING Marsico International Opportunities Portfolio - Service Class | ING MFS Total Return Portfolio - Adviser Class |
|------------------------------------------------------------------------------|-----------------------------------------------------------------|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 2,747 | \$ - | \$ 7,306 | \$ 45 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (36) | - | (2) | 3 |
| Total realized gain (loss) on investments and capital gains distributions | 148 | - | 1,033 | 11 |
| Net unrealized appreciation (depreciation) of investments | 278 | (2) | 569 | (18) |
| Net increase (decrease) in net assets from operations | 390 | (2) | 1,600 | (4) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 1,190 | 66 | 3,645 | 526 |
| Net increase (decrease) in assets derived from principal transactions | 1,190 | 66 | 3,645 | 526 |
| Total increase (decrease) in net assets | 1,580 | 64 | 5,245 | 522 |
| Net assets at December 31, 2007 | 4,327 | 64 | 12,551 | 567 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (14) | - | 1 | 24 |
| Total realized gain (loss) on investments and capital gains distributions | 120 | (41) | 458 | (25) |
| Net unrealized appreciation (depreciation) of investments | (600) | (33) | (6,943) | (159) |
| Net increase (decrease) in net assets from operations | (494) | (74) | (6,484) | (160) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (3,527) | 75 | 341 | 90 |
| Net increase (decrease) in assets derived from principal transactions | (3,527) | 75 | 341 | 90 |
| Total increase (decrease) in net assets | (4,021) | 1 | (6,143) | (70) |
| Net assets at December 31, 2008 | <u>\$ 306</u> | <u>\$ 65</u> | <u>\$ 6,408</u> | <u>\$ 497</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING MFS Total Return Portfolio - Institutional Class | ING MFS Total Return Portfolio - Service Class | ING MFS Utilities Portfolio - Service Class | ING Oppenheimer Main Street Portfolio® - Service Class |
|------------------------------------------------------------------------------|-------------------------------------------------------------------------|---------------------------------------------------------------|----------------------------------------------------------------|-------------------------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 269 | \$ 36,559 | \$ 13,022 | \$ 825 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (317) | 638 | (51) | (3) |
| Total realized gain (loss) on investments and capital gains distributions | 17 | 2,370 | 3,078 | 102 |
| Net unrealized appreciation (depreciation) of investments | 858 | (1,896) | 2,510 | (81) |
| Net increase (decrease) in net assets from operations | 558 | 1,112 | 5,537 | 18 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 80,319 | (4,067) | 18,964 | 1,161 |
| Net increase (decrease) in assets derived from principal transactions | 80,319 | (4,067) | 18,964 | 1,161 |
| Total increase (decrease) in net assets | 80,877 | (2,955) | 24,501 | 1,179 |
| Net assets at December 31, 2007 | 81,146 | 33,604 | 37,523 | 2,004 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 3,506 | 1,362 | 775 | 31 |
| Total realized gain (loss) on investments and capital gains distributions | 4,166 | 1,275 | 3,714 | (453) |
| Net unrealized appreciation (depreciation) of investments | (24,202) | (9,967) | (20,213) | (434) |
| Net increase (decrease) in net assets from operations | (16,530) | (7,330) | (15,724) | (856) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (12,962) | (3,924) | 2,976 | 194 |
| Net increase (decrease) in assets derived from principal transactions | (12,962) | (3,924) | 2,976 | 194 |
| Total increase (decrease) in net assets | (29,492) | (11,254) | (12,748) | (662) |
| Net assets at December 31, 2008 | <u>\$ 51,654</u> | <u>\$ 22,350</u> | <u>\$ 24,775</u> | <u>\$ 1,342</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING PIMCO High Yield Portfolio - Institutional Class | ING PIMCO High Yield Portfolio - Service Class | ING Pioneer Equity Income Portfolio - Institutional Class | ING Pioneer Fund Portfolio - Institutional Class |
|------------------------------------------------------------------------------|-----------------------------------------------------------------------------|-------------------------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 247 | \$ 5,070 | \$ - | \$ 2,509 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 27 | 331 | 1,448 | (31) |
| Total realized gain (loss) on investments and capital gains distributions | (8) | 11 | 74 | 217 |
| Net unrealized appreciation (depreciation) of investments | (14) | (257) | (5,352) | 14 |
| Net increase (decrease) in net assets from operations | 5 | 85 | (3,830) | 200 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 548 | 567 | 160,312 | 13,780 |
| Net increase (decrease) in assets derived from principal transactions | 548 | 567 | 160,312 | 13,780 |
| Total increase (decrease) in net assets | 553 | 652 | 156,482 | 13,980 |
| Net assets at December 31, 2007 | 800 | 5,722 | 156,482 | 16,489 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 56 | 404 | 2,906 | 421 |
| Total realized gain (loss) on investments and capital gains distributions | (79) | (586) | (2,534) | 261 |
| Net unrealized appreciation (depreciation) of investments | (157) | (1,227) | (48,595) | (6,636) |
| Net increase (decrease) in net assets from operations | (180) | (1,409) | (48,223) | (5,954) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (11) | 149 | 3,109 | 1,096 |
| Net increase (decrease) in assets derived from principal transactions | (11) | 149 | 3,109 | 1,096 |
| Total increase (decrease) in net assets | (191) | (1,260) | (45,114) | (4,858) |
| Net assets at December 31, 2008 | <u>\$ 609</u> | <u>\$ 4,462</u> | <u>\$ 111,368</u> | <u>\$ 11,631</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING Pioneer Fund Portfolio - Service Class | ING Pioneer Mid Cap Value Portfolio - Adviser Class | ING Pioneer Mid Cap Value Portfolio - Institutional Class | ING Pioneer Mid Cap Value Portfolio - Service Class |
|------------------------------------------------------------------------------|-----------------------------------------------------------|------------------------------------------------------------------------|----------------------------------------------------------------------------------|------------------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 25 | \$ - | \$ 783 | \$ 6 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (1) | - | (383) | - |
| Total realized gain (loss) on investments and capital gains distributions | 2 | - | 16 | - |
| Net unrealized appreciation (depreciation) of investments | (1) | - | (2,175) | - |
| Net increase (decrease) in net assets from operations | - | - | (2,542) | - |
| Changes from contract transactions: | | | | |
| Total unit transactions | 86 | - | 98,750 | 10 |
| Net increase (decrease) in assets derived from principal transactions | 86 | - | 98,750 | 10 |
| Total increase (decrease) in net assets | 86 | - | 96,208 | 10 |
| Net assets at December 31, 2007 | 111 | - | 96,991 | 16 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 3 | - | 996 | 3 |
| Total realized gain (loss) on investments and capital gains distributions | 2 | (1) | 2,997 | 9 |
| Net unrealized appreciation (depreciation) of investments | (53) | (1) | (36,707) | (74) |
| Net increase (decrease) in net assets from operations | (48) | (2) | (32,714) | (62) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 46 | 4 | 1,187 | 250 |
| Net increase (decrease) in assets derived from principal transactions | 46 | 4 | 1,187 | 250 |
| Total increase (decrease) in net assets | (2) | 2 | (31,527) | 188 |
| Net assets at December 31, 2008 | <u>\$ 109</u> | <u>\$ 2</u> | <u>\$ 65,464</u> | <u>\$ 204</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING Stock Index Portfolio - Institutional Class | ING T. Rowe Price Capital Appreciation Portfolio - Service Class | ING T. Rowe Price Equity Income Portfolio - Adviser Class | ING T. Rowe Price Equity Income Portfolio - Service Class |
|------------------------------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 3,625 | \$ 86,924 | \$ 215 | \$ 87,796 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 47 | 951 | 5 | 370 |
| Total realized gain (loss) on investments and capital gains distributions | 192 | 12,895 | 36 | 5,033 |
| Net unrealized appreciation (depreciation) of investments | (63) | (11,663) | (61) | (3,764) |
| Net increase (decrease) in net assets from operations | 176 | 2,183 | (20) | 1,639 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (213) | 79,883 | 956 | 12,269 |
| Net increase (decrease) in assets derived from principal transactions | (213) | 79,883 | 956 | 12,269 |
| Total increase (decrease) in net assets | (37) | 82,066 | 936 | 13,908 |
| Net assets at December 31, 2007 | 3,588 | 168,990 | 1,151 | 101,704 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 112 | 6,214 | 32 | 3,165 |
| Total realized gain (loss) on investments and capital gains distributions | 24 | 15,596 | 8 | 7,576 |
| Net unrealized appreciation (depreciation) of investments | (1,486) | (79,630) | (532) | (49,945) |
| Net increase (decrease) in net assets from operations | (1,350) | (57,820) | (492) | (39,204) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 134 | 47,698 | 259 | 12,008 |
| Net increase (decrease) in assets derived from principal transactions | 134 | 47,698 | 259 | 12,008 |
| Total increase (decrease) in net assets | (1,216) | (10,122) | (233) | (27,196) |
| Net assets at December 31, 2008 | <u>\$ 2,372</u> | <u>\$ 158,868</u> | <u>\$ 918</u> | <u>\$ 74,508</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING Templeton Global Growth Portfolio - Institutional Class | ING Templeton Global Growth Portfolio - Service Class | ING Van Kampen Capital Growth Portfolio - Institutional Class | ING Van Kampen Capital Growth Portfolio - Service Class |
|------------------------------------------------------------------------------|-------------------------------------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------------------------|---------------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ - | \$ 1,421 | \$ - | \$ 14 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (5) | (2) | - | - |
| Total realized gain (loss) on investments and capital gains distributions | - | 144 | - | 3 |
| Net unrealized appreciation (depreciation) of investments | (6) | (144) | - | 9 |
| Net increase (decrease) in net assets from operations | (11) | (2) | - | 12 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 1,197 | 1,414 | - | 61 |
| Net increase (decrease) in assets derived from principal transactions | 1,197 | 1,414 | - | 61 |
| Total increase (decrease) in net assets | 1,186 | 1,412 | - | 73 |
| Net assets at December 31, 2007 | 1,186 | 2,833 | - | 87 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 3 | (1) | (2) | (1) |
| Total realized gain (loss) on investments and capital gains distributions | 19 | (4) | (90) | (11) |
| Net unrealized appreciation (depreciation) of investments | (514) | (1,297) | (94) | (132) |
| Net increase (decrease) in net assets from operations | (492) | (1,302) | (186) | (144) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 80 | 579 | 548 | 202 |
| Net increase (decrease) in assets derived from principal transactions | 80 | 579 | 548 | 202 |
| Total increase (decrease) in net assets | (412) | (723) | 362 | 58 |
| Net assets at December 31, 2008 | <u>\$ 774</u> | <u>\$ 2,110</u> | <u>\$ 362</u> | <u>\$ 145</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING Van Kampen Growth and Income Portfolio - Service Class | ING Van Kampen Large Cap Growth Portfolio - Institutional Class | ING Van Kampen Large Cap Growth Portfolio - Service Class | ING Van Kampen Real Estate Portfolio - Institutional Class |
|------------------------------------------------------------------------------|---------------------------------------------------------------------------|--------------------------------------------------------------------------------|-----------------------------------------------------------------------|------------------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 15,704 | \$ 162 | \$ - | \$ 754 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 103 | (2) | - | 3 |
| Total realized gain (loss) on investments and capital gains distributions | 1,414 | 7 | - | 88 |
| Net unrealized appreciation (depreciation) of investments | (1,343) | (3) | - | (296) |
| Net increase (decrease) in net assets from operations | 174 | 2 | - | (205) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 1,410 | (22) | - | 393 |
| Net increase (decrease) in assets derived from principal transactions | 1,410 | (22) | - | 393 |
| Total increase (decrease) in net assets | 1,584 | (20) | - | 188 |
| Net assets at December 31, 2007 | 17,288 | 142 | - | 942 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 475 | 1 | - | 7 |
| Total realized gain (loss) on investments and capital gains distributions | 716 | (3) | - | 114 |
| Net unrealized appreciation (depreciation) of investments | (7,115) | (1) | - | (590) |
| Net increase (decrease) in net assets from operations | (5,924) | (3) | - | (469) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 1,747 | (139) | - | 251 |
| Net increase (decrease) in assets derived from principal transactions | 1,747 | (139) | - | 251 |
| Total increase (decrease) in net assets | (4,177) | (142) | - | (218) |
| Net assets at December 31, 2008 | <u>\$ 13,111</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 724</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING Van Kampen Real Estate Portfolio - Service Class | ING VP Index Plus International Equity Portfolio - Institutional Class | ING VP Index Plus International Equity Portfolio - Service Class | ING Wells Disciplined Value Portfolio - Adviser Class |
|------------------------------------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------------------------------|------------------------------------------------------------------------------|----------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 16,905 | \$ - | \$ 2,537 | \$ - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 36 | (33) | (84) | - |
| Total realized gain (loss) on investments and capital gains distributions | 2,824 | 4 | 533 | - |
| Net unrealized appreciation (depreciation) of investments | (7,927) | (304) | (190) | - |
| Net increase (decrease) in net assets from operations | (5,067) | (333) | 259 | - |
| Changes from contract transactions: | | | | |
| Total unit transactions | 9,000 | 22,695 | 4,320 | 3 |
| Net increase (decrease) in assets derived from principal transactions | 9,000 | 22,695 | 4,320 | 3 |
| Total increase (decrease) in net assets | 3,933 | 22,362 | 4,579 | 3 |
| Net assets at December 31, 2007 | 20,838 | 22,362 | 7,116 | 3 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 80 | 957 | 254 | - |
| Total realized gain (loss) on investments and capital gains distributions | 1,340 | 2,290 | 272 | (1) |
| Net unrealized appreciation (depreciation) of investments | (11,957) | (12,785) | (3,273) | - |
| Net increase (decrease) in net assets from operations | (10,537) | (9,538) | (2,747) | (1) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 6,988 | (1,453) | (1,436) | (2) |
| Net increase (decrease) in assets derived from principal transactions | 6,988 | (1,453) | (1,436) | (2) |
| Total increase (decrease) in net assets | (3,549) | (10,991) | (4,183) | (3) |
| Net assets at December 31, 2008 | <u>\$ 17,289</u> | <u>\$ 11,371</u> | <u>\$ 2,933</u> | <u>\$ -</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING Wells Fargo Disciplined Value Portfolio - Service Class | ING Wells Fargo Small Cap Disciplined Portfolio - Service Class | ING International Growth Opportunities Fund - Class Q | ING International SmallCap Multi-Manager Fund - Class A |
|------------------------------------------------------------------------------|------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 767 | \$ 1,141 | \$ 7 | \$ 837 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 5 | (10) | - | 4 |
| Total realized gain (loss) on investments and capital gains distributions | 54 | 58 | 2 | 480 |
| Net unrealized appreciation (depreciation) of investments | (136) | (90) | - | (379) |
| Net increase (decrease) in net assets from operations | (77) | (42) | 2 | 105 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 433 | (77) | 2 | 1,279 |
| Net increase (decrease) in assets derived from principal transactions | 433 | (77) | 2 | 1,279 |
| Total increase (decrease) in net assets | 356 | (119) | 4 | 1,384 |
| Net assets at December 31, 2007 | 1,123 | 1,022 | 11 | 2,221 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 20 | (1) | - | 29 |
| Total realized gain (loss) on investments and capital gains distributions | (211) | (192) | - | (92) |
| Net unrealized appreciation (depreciation) of investments | 87 | (231) | (8) | (1,196) |
| Net increase (decrease) in net assets from operations | (104) | (424) | (8) | (1,259) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (1,019) | 349 | 4 | 299 |
| Net increase (decrease) in assets derived from principal transactions | (1,019) | 349 | 4 | 299 |
| Total increase (decrease) in net assets | (1,123) | (75) | (4) | (960) |
| Net assets at December 31, 2008 | <u>\$ -</u> | <u>\$ 947</u> | <u>\$ 7</u> | <u>\$ 1,261</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING American Century Large Company Value Portfolio - Adviser Class | ING American Century Large Company Value Portfolio - Service Class | ING American Century Small- Mid Cap Value Portfolio - Adviser Class | ING American Century Small- Mid Cap Value Portfolio - Service Class |
|------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 9 | \$ 5,290 | \$ 22 | \$ 33,826 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | 5 | - | (193) |
| Total realized gain (loss) on investments and capital gains distributions | 2 | 628 | 6 | 4,881 |
| Net unrealized appreciation (depreciation) of investments | (4) | (763) | (8) | (5,673) |
| Net increase (decrease) in net assets from operations | (2) | (130) | (2) | (985) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 79 | (730) | 17 | (4,206) |
| Net increase (decrease) in assets derived from principal transactions | 79 | (730) | 17 | (4,206) |
| Total increase (decrease) in net assets | 77 | (860) | 15 | (5,191) |
| Net assets at December 31, 2007 | 86 | 4,430 | 37 | 28,635 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 10 | 475 | 1 | (43) |
| Total realized gain (loss) on investments and capital gains distributions | 30 | 729 | (7) | 2,748 |
| Net unrealized appreciation (depreciation) of investments | (75) | (2,931) | (10) | (10,546) |
| Net increase (decrease) in net assets from operations | (35) | (1,727) | (16) | (7,841) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 27 | 114 | 18 | 1,281 |
| Net increase (decrease) in assets derived from principal transactions | 27 | 114 | 18 | 1,281 |
| Total increase (decrease) in net assets | (8) | (1,613) | 2 | (6,560) |
| Net assets at December 31, 2008 | <u>\$ 78</u> | <u>\$ 2,817</u> | <u>\$ 39</u> | <u>\$ 22,075</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING Baron Asset Portfolio - Service Class | ING Baron Small Cap Growth Portfolio - Adviser Class | ING Baron Small Cap Growth Portfolio - Service Class | ING Columbia Small Cap Value II Portfolio - Service Class |
|------------------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 306 | \$ 63 | \$ 91,451 | \$ 39 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (18) | (1) | (996) | (3) |
| Total realized gain (loss) on investments and capital gains distributions | 48 | 8 | 3,264 | 9 |
| Net unrealized appreciation (depreciation) of investments | 58 | (3) | 2,329 | (31) |
| Net increase (decrease) in net assets from operations | 88 | 4 | 4,597 | (25) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 2,823 | 190 | 12,652 | 782 |
| Net increase (decrease) in assets derived from principal transactions | 2,823 | 190 | 12,652 | 782 |
| Total increase (decrease) in net assets | 2,911 | 194 | 17,249 | 757 |
| Net assets at December 31, 2007 | 3,217 | 257 | 108,700 | 796 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (23) | (1) | (814) | (9) |
| Total realized gain (loss) on investments and capital gains distributions | (40) | (27) | 4,779 | (33) |
| Net unrealized appreciation (depreciation) of investments | (1,397) | (109) | (50,479) | (377) |
| Net increase (decrease) in net assets from operations | (1,460) | (137) | (46,514) | (419) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 369 | 96 | 4,050 | 576 |
| Net increase (decrease) in assets derived from principal transactions | 369 | 96 | 4,050 | 576 |
| Total increase (decrease) in net assets | (1,091) | (41) | (42,464) | 157 |
| Net assets at December 31, 2008 | <u>\$ 2,126</u> | <u>\$ 216</u> | <u>\$ 66,236</u> | <u>\$ 953</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING Davis New York Venture Portfolio - Service Class | ING Fidelity® VIP Mid Cap Portfolio - Service Class | ING Index Solution 2015 Portfolio - Adviser Class | ING Index Solution 2025 Portfolio - Adviser Class |
|------------------------------------------------------------------------------|-------------------------------------------------------------------------|------------------------------------------------------------------------|----------------------------------------------------------------------|----------------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 9,468 | \$ 110 | \$ - | \$ - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (85) | (5) | - | - |
| Total realized gain (loss) on investments and capital gains distributions | 394 | 19 | - | - |
| Net unrealized appreciation (depreciation) of investments | (49) | 81 | - | - |
| Net increase (decrease) in net assets from operations | 260 | 95 | - | - |
| Changes from contract transactions: | | | | |
| Total unit transactions | 1,585 | 3,839 | - | - |
| Net increase (decrease) in assets derived from principal transactions | 1,585 | 3,839 | - | - |
| Total increase (decrease) in net assets | 1,845 | 3,934 | - | - |
| Net assets at December 31, 2007 | 11,313 | 4,044 | - | - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (26) | (14) | - | - |
| Total realized gain (loss) on investments and capital gains distributions | 18 | 411 | - | - |
| Net unrealized appreciation (depreciation) of investments | (5,140) | (4,082) | 1 | 2 |
| Net increase (decrease) in net assets from operations | (5,148) | (3,685) | 1 | 2 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 2,424 | 6,348 | 36 | 79 |
| Net increase (decrease) in assets derived from principal transactions | 2,424 | 6,348 | 36 | 79 |
| Total increase (decrease) in net assets | (2,724) | 2,663 | 37 | 81 |
| Net assets at December 31, 2008 | <u>\$ 8,589</u> | <u>\$ 6,707</u> | <u>\$ 37</u> | <u>\$ 81</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING Index Solution 2035 Portfolio - Adviser Class | ING Index Solution 2045 Portfolio - Adviser Class | ING Index Solution Income Portfolio - Adviser Class | ING JPMorgan International Portfolio - Adviser Class |
|------------------------------------------------------------------------------|----------------------------------------------------------------------|----------------------------------------------------------------------|------------------------------------------------------------------------|-------------------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ - | \$ - | \$ - | \$ 20 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | - | - | 3 |
| Total realized gain (loss) on investments and capital gains distributions | - | - | - | 3 |
| Net unrealized appreciation (depreciation) of investments | - | - | - | (4) |
| Net increase (decrease) in net assets from operations | - | - | - | 2 |
| Changes from contract transactions: | | | | |
| Total unit transactions | - | - | - | 169 |
| Net increase (decrease) in assets derived from principal transactions | - | - | - | 169 |
| Total increase (decrease) in net assets | - | - | - | 171 |
| Net assets at December 31, 2007 | - | - | - | 191 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | - | - | 6 |
| Total realized gain (loss) on investments and capital gains distributions | - | - | - | (12) |
| Net unrealized appreciation (depreciation) of investments | 1 | - | - | 3 |
| Net increase (decrease) in net assets from operations | 1 | - | - | (3) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 50 | 6 | 1 | (188) |
| Net increase (decrease) in assets derived from principal transactions | 50 | 6 | 1 | (188) |
| Total increase (decrease) in net assets | 51 | 6 | 1 | (191) |
| Net assets at December 31, 2008 | <u>\$ 51</u> | <u>\$ 6</u> | <u>\$ 1</u> | <u>\$ -</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING JPMorgan International Portfolio - Initial Class | ING JPMorgan International Portfolio - Service Class | ING JPMorgan Mid Cap Value Portfolio - Adviser Class | ING JPMorgan Mid Cap Value Portfolio - Service Class |
|------------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 150,203 | \$ 16 | \$ 91 | \$ 32,578 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 1,581 | - | - | (183) |
| Total realized gain (loss) on investments and capital gains distributions | 14,809 | - | 23 | 2,736 |
| Net unrealized appreciation (depreciation) of investments | (3,771) | 1 | (35) | (2,133) |
| Net increase (decrease) in net assets from operations | 12,619 | 1 | (12) | 420 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (20,511) | 14 | 307 | 1,986 |
| Net increase (decrease) in assets derived from principal transactions | (20,511) | 14 | 307 | 1,986 |
| Total increase (decrease) in net assets | (7,892) | 15 | 295 | 2,406 |
| Net assets at December 31, 2007 | 142,311 | 31 | 386 | 34,984 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 3,607 | 1 | 4 | 305 |
| Total realized gain (loss) on investments and capital gains distributions | 38,722 | 2 | (37) | 2,533 |
| Net unrealized appreciation (depreciation) of investments | (47,137) | (3) | (85) | (13,907) |
| Net increase (decrease) in net assets from operations | (4,808) | - | (118) | (11,069) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (137,503) | (31) | (23) | (2,795) |
| Net increase (decrease) in assets derived from principal transactions | (137,503) | (31) | (23) | (2,795) |
| Total increase (decrease) in net assets | (142,311) | (31) | (141) | (13,864) |
| Net assets at December 31, 2008 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 245</u> | <u>\$ 21,120</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING Legg Mason Partners Aggressive Growth Portfolio - Adviser Class | ING Legg Mason Partners Aggressive Growth Portfolio - Initial Class | ING Legg Mason Partners Aggressive Growth Portfolio - Service Class | ING Legg Mason Partners Large Cap Growth Portfolio - Adviser Class |
|------------------------------------------------------------------------------|------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 17 | \$ 203,807 | \$ 82 | \$ 33 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | (1,922) | (1) | - |
| Total realized gain (loss) on investments and capital gains distributions | 4 | (9,429) | 4 | 6 |
| Net unrealized appreciation (depreciation) of investments | (7) | 7,512 | (6) | (5) |
| Net increase (decrease) in net assets from operations | (3) | (3,839) | (3) | 1 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 82 | (38,945) | 8 | 108 |
| Net increase (decrease) in assets derived from principal transactions | 82 | (38,945) | 8 | 108 |
| Total increase (decrease) in net assets | 79 | (42,784) | 5 | 109 |
| Net assets at December 31, 2007 | 96 | 161,023 | 87 | 142 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | (1,316) | (1) | - |
| Total realized gain (loss) on investments and capital gains distributions | (10) | (20,709) | 1 | (13) |
| Net unrealized appreciation (depreciation) of investments | (27) | (37,274) | (67) | 4 |
| Net increase (decrease) in net assets from operations | (37) | (59,299) | (67) | (9) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 1 | (17,346) | 100 | (133) |
| Net increase (decrease) in assets derived from principal transactions | 1 | (17,346) | 100 | (133) |
| Total increase (decrease) in net assets | (36) | (76,645) | 33 | (142) |
| Net assets at December 31, 2008 | \$ 60 | \$ 84,378 | \$ 120 | \$ - |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING Legg Mason Partners Large Cap Growth Portfolio - Initial Class | ING Neuberger Berman Partners Portfolio - Service Class | ING Neuberger Berman Regency Portfolio - Service Class | ING OpCap Balanced Value Portfolio - Service Class |
|------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|---------------------------------------------------------------------|--------------------------------------------------------------------|-------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 3,850 | \$ 232 | \$ 1 | \$ 13,497 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (38) | (8) | - | 27 |
| Total realized gain (loss) on investments and capital gains distributions | 153 | 40 | - | 1,739 |
| Net unrealized appreciation (depreciation) of investments | 26 | (52) | (2) | (2,299) |
| Net increase (decrease) in net assets from operations | 141 | (20) | (2) | (533) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (455) | 2,054 | 63 | (2,003) |
| Net increase (decrease) in assets derived from principal transactions | (455) | 2,054 | 63 | (2,003) |
| Total increase (decrease) in net assets | (314) | 2,034 | 61 | (2,536) |
| Net assets at December 31, 2007 | 3,536 | 2,266 | 62 | 10,961 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (10) | (24) | - | 395 |
| Total realized gain (loss) on investments and capital gains distributions | 5 | (325) | (4) | (4,289) |
| Net unrealized appreciation (depreciation) of investments | (250) | (1,673) | 2 | 351 |
| Net increase (decrease) in net assets from operations | (255) | (2,022) | (2) | (3,543) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (3,281) | 1,722 | (60) | (7,418) |
| Net increase (decrease) in assets derived from principal transactions | (3,281) | 1,722 | (60) | (7,418) |
| Total increase (decrease) in net assets | (3,536) | (300) | (62) | (10,961) |
| Net assets at December 31, 2008 | <u>\$ -</u> | <u>\$ 1,966</u> | <u>\$ -</u> | <u>\$ -</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING Oppenheimer Global Portfolio - Adviser Class | ING Oppenheimer Global Portfolio - Initial Class | ING Oppenheimer Global Portfolio - Service Class | ING Oppenheimer Strategic Income Portfolio - Adviser Class |
|------------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 96 | \$ 921,330 | \$ 180 | \$ 127 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | 298 | 1 | 9 |
| Total realized gain (loss) on investments and capital gains distributions | 15 | 81,523 | 24 | 3 |
| Net unrealized appreciation (depreciation) of investments | (12) | (31,597) | (17) | 2 |
| Net increase (decrease) in net assets from operations | 3 | 50,224 | 8 | 14 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 266 | (130,832) | 251 | 134 |
| Net increase (decrease) in assets derived from principal transactions | 266 | (130,832) | 251 | 134 |
| Total increase (decrease) in net assets | 269 | (80,608) | 259 | 148 |
| Net assets at December 31, 2007 | 365 | 840,722 | 439 | 275 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 6 | 8,163 | 4 | 17 |
| Total realized gain (loss) on investments and capital gains distributions | (31) | 62,486 | 15 | (13) |
| Net unrealized appreciation (depreciation) of investments | (148) | (385,205) | (191) | (65) |
| Net increase (decrease) in net assets from operations | (173) | (314,556) | (172) | (61) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 46 | (102,226) | - | 44 |
| Net increase (decrease) in assets derived from principal transactions | 46 | (102,226) | - | 44 |
| Total increase (decrease) in net assets | (127) | (416,782) | (172) | (17) |
| Net assets at December 31, 2008 | <u>\$ 238</u> | <u>\$ 423,940</u> | <u>\$ 267</u> | <u>\$ 258</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING Oppenheimer Strategic Income Portfolio - Initial Class | ING Oppenheimer Strategic Income Portfolio - Service Class | ING PIMCO Total Return Portfolio - Adviser Class | ING PIMCO Total Return Portfolio - Service Class |
|---------------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 112,893 | \$ - | \$ 269 | \$ 62,923 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 4,210 | (2) | 15 | 1,665 |
| Total realized gain (loss) on investments and capital gains distributions | 1,642 | - | 5 | 433 |
| Net unrealized appreciation (depreciation) of investments | 2,740 | (3) | 22 | 3,685 |
| Net increase (decrease) in net assets from operations | 8,592 | (5) | 42 | 5,783 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 4,203 | 3,831 | 243 | 14,304 |
| Net increase (decrease) in assets derived from principal transactions | 4,203 | 3,831 | 243 | 14,304 |
| Total increase (decrease) in net assets | 12,795 | 3,826 | 285 | 20,087 |
| Net assets at December 31, 2007 | 125,688 | 3,826 | 554 | 83,010 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 5,472 | 7 | 36 | 4,074 |
| Total realized gain (loss) on investments and capital gains distributions | 503 | 7 | 12 | 1,587 |
| Net unrealized appreciation (depreciation) of investments | (28,238) | (26) | (70) | (7,862) |
| Net increase (decrease) in net assets from operations | (22,263) | (12) | (22) | (2,201) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 5,942 | (3,598) | 338 | 24,040 |
| Net increase (decrease) in assets derived from principal transactions | 5,942 | (3,598) | 338 | 24,040 |
| Total increase (decrease) in net assets | (16,321) | (3,610) | 316 | 21,839 |
| Net assets at December 31, 2008 | <u>\$ 109,367</u> | <u>\$ 216</u> | <u>\$ 870</u> | <u>\$ 104,849</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING Pioneer High Yield Portfolio - Initial Class | ING Pioneer High Yield Portfolio - Service Class | ING Solution 2015 Portfolio - Adviser Class | ING Solution 2015 Portfolio - Service Class |
|------------------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 1,000 | \$ 6 | \$ 2,850 | \$ 15,208 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 162 | 2 | (1) | (81) |
| Total realized gain (loss) on investments and capital gains distributions | 40 | - | 68 | 673 |
| Net unrealized appreciation (depreciation) of investments | (127) | (3) | 137 | 52 |
| Net increase (decrease) in net assets from operations | 75 | (1) | 204 | 644 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 4,109 | 90 | 6,696 | 14,447 |
| Net increase (decrease) in assets derived from principal transactions | 4,109 | 90 | 6,696 | 14,447 |
| Total increase (decrease) in net assets | 4,184 | 89 | 6,900 | 15,091 |
| Net assets at December 31, 2007 | 5,184 | 95 | 9,750 | 30,299 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 347 | 6 | 120 | 252 |
| Total realized gain (loss) on investments and capital gains distributions | (197) | 1 | 216 | 656 |
| Net unrealized appreciation (depreciation) of investments | (1,867) | (41) | (3,943) | (10,651) |
| Net increase (decrease) in net assets from operations | (1,717) | (34) | (3,607) | (9,743) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 500 | 20 | 4,478 | 7,869 |
| Net increase (decrease) in assets derived from principal transactions | 500 | 20 | 4,478 | 7,869 |
| Total increase (decrease) in net assets | (1,217) | (14) | 871 | (1,874) |
| Net assets at December 31, 2008 | <u>\$ 3,967</u> | <u>\$ 81</u> | <u>\$ 10,621</u> | <u>\$ 28,425</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING Solution 2025 Portfolio - Adviser Class | ING Solution 2025 Portfolio - Service Class | ING Solution 2035 Portfolio - Adviser Class | ING Solution 2035 Portfolio - Service Class |
|------------------------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 4,390 | \$ 18,183 | \$ 3,854 | \$ 12,006 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (12) | (127) | (13) | (85) |
| Total realized gain (loss) on investments and capital gains distributions | 109 | 615 | 96 | 381 |
| Net unrealized appreciation (depreciation) of investments | 135 | 226 | 62 | 289 |
| Net increase (decrease) in net assets from operations | 232 | 714 | 145 | 585 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 7,481 | 20,666 | 5,831 | 14,953 |
| Net increase (decrease) in assets derived from principal transactions | 7,481 | 20,666 | 5,831 | 14,953 |
| Total increase (decrease) in net assets | 7,713 | 21,380 | 5,976 | 15,538 |
| Net assets at December 31, 2007 | 12,103 | 39,563 | 9,830 | 27,544 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 98 | 208 | 79 | 150 |
| Total realized gain (loss) on investments and capital gains distributions | 293 | 960 | 302 | 878 |
| Net unrealized appreciation (depreciation) of investments | (6,064) | (18,098) | (5,470) | (14,504) |
| Net increase (decrease) in net assets from operations | (5,673) | (16,930) | (5,089) | (13,476) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 5,598 | 15,303 | 5,026 | 13,643 |
| Net increase (decrease) in assets derived from principal transactions | 5,598 | 15,303 | 5,026 | 13,643 |
| Total increase (decrease) in net assets | (75) | (1,627) | (63) | 167 |
| Net assets at December 31, 2008 | <u>\$ 12,028</u> | <u>\$ 37,936</u> | <u>\$ 9,767</u> | <u>\$ 27,711</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING Solution 2045 Portfolio - Adviser Class | ING Solution 2045 Portfolio - Service Class | ING Solution Growth and Income Portfolio - Service Class | ING Solution Growth Portfolio - Service Class |
|------------------------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|---------------------------------------------------------------------------------|------------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 2,250 | \$ 7,586 | \$ - | \$ - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (12) | (88) | - | - |
| Total realized gain (loss) on investments and capital gains distributions | 79 | 220 | - | - |
| Net unrealized appreciation (depreciation) of investments | 27 | 283 | - | - |
| Net increase (decrease) in net assets from operations | 94 | 415 | - | - |
| Changes from contract transactions: | | | | |
| Total unit transactions | 5,514 | 9,461 | - | - |
| Net increase (decrease) in assets derived from principal transactions | 5,514 | 9,461 | - | - |
| Total increase (decrease) in net assets | 5,608 | 9,876 | - | - |
| Net assets at December 31, 2007 | 7,858 | 17,462 | - | - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 44 | 42 | (1) | (1) |
| Total realized gain (loss) on investments and capital gains distributions | 170 | 613 | (26) | (52) |
| Net unrealized appreciation (depreciation) of investments | (4,003) | (9,919) | (7) | (7) |
| Net increase (decrease) in net assets from operations | (3,789) | (9,264) | (34) | (60) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 2,396 | 9,490 | 659 | 234 |
| Net increase (decrease) in assets derived from principal transactions | 2,396 | 9,490 | 659 | 234 |
| Total increase (decrease) in net assets | (1,393) | 226 | 625 | 174 |
| Net assets at December 31, 2008 | <u>\$ 6,465</u> | <u>\$ 17,688</u> | <u>\$ 625</u> | <u>\$ 174</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING Solution Income Portfolio - Adviser Class | ING Solution Income Portfolio - Service Class | ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Adviser Class | ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Initial Class |
|------------------------------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 1,657 | \$ 2,746 | \$ 39 | \$ 397,287 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 8 | (13) | - | (3,472) |
| Total realized gain (loss) on investments and capital gains distributions | 41 | 125 | 13 | 49,859 |
| Net unrealized appreciation (depreciation) of investments | 211 | 63 | (7) | 275 |
| Net increase (decrease) in net assets from operations | 260 | 175 | 6 | 46,662 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 5,510 | 4,464 | 320 | (54,649) |
| Net increase (decrease) in assets derived from principal transactions | 5,510 | 4,464 | 320 | (54,649) |
| Total increase (decrease) in net assets | 5,770 | 4,639 | 326 | (7,987) |
| Net assets at December 31, 2007 | 7,427 | 7,385 | 365 | 389,300 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 114 | 83 | (1) | (1,791) |
| Total realized gain (loss) on investments and capital gains distributions | 121 | (59) | (5) | 48,267 |
| Net unrealized appreciation (depreciation) of investments | (1,905) | (1,545) | (174) | (208,361) |
| Net increase (decrease) in net assets from operations | (1,670) | (1,521) | (180) | (161,885) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 2,352 | 1,085 | 27 | (27,342) |
| Net increase (decrease) in assets derived from principal transactions | 2,352 | 1,085 | 27 | (27,342) |
| Total increase (decrease) in net assets | 682 | (436) | (153) | (189,227) |
| Net assets at December 31, 2008 | <u>\$ 8,109</u> | <u>\$ 6,949</u> | <u>\$ 212</u> | <u>\$ 200,073</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Service Class | ING T. Rowe Price Growth Equity Portfolio - Adviser Class | ING T. Rowe Price Growth Equity Portfolio - Initial Class | ING T. Rowe Price Growth Equity Portfolio - Service Class |
|------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 425 | \$ 143 | \$ 281,531 | \$ 867 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (3) | (2) | (1,573) | (6) |
| Total realized gain (loss) on investments and capital gains distributions | 56 | 53 | 12,711 | 75 |
| Net unrealized appreciation (depreciation) of investments | (3) | (29) | 12,582 | 18 |
| Net increase (decrease) in net assets from operations | 50 | 22 | 23,720 | 87 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 39 | 990 | (30,226) | 280 |
| Net increase (decrease) in assets derived from principal transactions | 39 | 990 | (30,226) | 280 |
| Total increase (decrease) in net assets | 89 | 1,012 | (6,506) | 367 |
| Net assets at December 31, 2007 | 514 | 1,155 | 275,025 | 1,234 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (3) | (1) | 706 | 5 |
| Total realized gain (loss) on investments and capital gains distributions | 41 | (76) | 9,203 | 76 |
| Net unrealized appreciation (depreciation) of investments | (254) | (464) | (120,189) | (750) |
| Net increase (decrease) in net assets from operations | (216) | (541) | (110,280) | (669) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (26) | 129 | (22,970) | 453 |
| Net increase (decrease) in assets derived from principal transactions | (26) | 129 | (22,970) | 453 |
| Total increase (decrease) in net assets | (242) | (412) | (133,250) | (216) |
| Net assets at December 31, 2008 | <u>\$ 272</u> | <u>\$ 743</u> | <u>\$ 141,775</u> | <u>\$ 1,018</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING Templeton Foreign Equity Portfolio - Adviser Class | ING Templeton Foreign Equity Portfolio - Initial Class | ING Templeton Foreign Equity Portfolio - Service Class | ING Thornburg Value Portfolio - Adviser Class |
|------------------------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------|
| Net assets at January 1, 2007 | \$ - | - | \$ 302 | \$ 54 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | - | 11 | (1) |
| Total realized gain (loss) on investments and capital gains distributions | - | - | 131 | 7 |
| Net unrealized appreciation (depreciation) of investments | - | - | 122 | (22) |
| Net increase (decrease) in net assets from operations | - | - | 264 | (16) |
| Changes from contract transactions: | | | | |
| Total unit transactions | - | - | 4,867 | 483 |
| Net increase (decrease) in assets derived from principal transactions | - | - | 4,867 | 483 |
| Total increase (decrease) in net assets | - | - | 5,131 | 467 |
| Net assets at December 31, 2007 | - | - | 5,433 | 521 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 4 | 1,774 | (15) | (1) |
| Total realized gain (loss) on investments and capital gains distributions | (17) | (3,433) | (81) | (33) |
| Net unrealized appreciation (depreciation) of investments | (76) | (48,104) | (155) | (179) |
| Net increase (decrease) in net assets from operations | (89) | (49,763) | (251) | (213) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 232 | 125,371 | (5,142) | (13) |
| Net increase (decrease) in assets derived from principal transactions | 232 | 125,371 | (5,142) | (13) |
| Total increase (decrease) in net assets | 143 | 75,608 | (5,393) | (226) |
| Net assets at December 31, 2008 | <u>\$ 143</u> | <u>\$ 75,608</u> | <u>\$ 40</u> | <u>\$ 295</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING Thornburg Value Portfolio - Initial Class | ING UBS U.S. Large Cap Equity Portfolio - Adviser Class | ING UBS U.S. Large Cap Equity Portfolio - Initial Class | ING UBS U.S. Large Cap Equity Portfolio - Service Class |
|------------------------------------------------------------------------------|--------------------------------------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 117,356 | \$ - | \$ 135,280 | \$ 3 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (695) | - | (518) | - |
| Total realized gain (loss) on investments and capital gains distributions | (6,680) | - | (3,980) | - |
| Net unrealized appreciation (depreciation) of investments | 14,266 | - | 4,862 | - |
| Net increase (decrease) in net assets from operations | 6,891 | - | 364 | - |
| Changes from contract transactions: | | | | |
| Total unit transactions | (10,814) | 13 | (9,172) | 3 |
| Net increase (decrease) in assets derived from principal transactions | (10,814) | 13 | (9,172) | 3 |
| Total increase (decrease) in net assets | (3,923) | 13 | (8,808) | 3 |
| Net assets at December 31, 2007 | 113,433 | 13 | 126,472 | 6 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (429) | 1 | 1,274 | - |
| Total realized gain (loss) on investments and capital gains distributions | (3,171) | - | (10,767) | - |
| Net unrealized appreciation (depreciation) of investments | (40,240) | (24) | (36,911) | (4) |
| Net increase (decrease) in net assets from operations | (43,840) | (23) | (46,404) | (4) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (8,107) | 53 | (15,791) | 4 |
| Net increase (decrease) in assets derived from principal transactions | (8,107) | 53 | (15,791) | 4 |
| Total increase (decrease) in net assets | (51,947) | 30 | (62,195) | - |
| Net assets at December 31, 2008 | <u>\$ 61,486</u> | <u>\$ 43</u> | <u>\$ 64,277</u> | <u>\$ 6</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING UBS U.S. Small Cap Growth Portfolio - Service Class | ING Van Kampen Comstock Portfolio - Adviser Class | ING Van Kampen Comstock Portfolio - Service Class | ING Van Kampen Equity and Income Portfolio - Adviser Class |
|------------------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 24 | \$ 151 | \$ 100,241 | \$ 21 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (3) | 3 | 130 | 3 |
| Total realized gain (loss) on investments and capital gains distributions | 16 | 18 | 6,497 | 5 |
| Net unrealized appreciation (depreciation) of investments | (37) | (42) | (9,132) | (4) |
| Net increase (decrease) in net assets from operations | (24) | (21) | (2,505) | 4 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 592 | 252 | (13,824) | 178 |
| Net increase (decrease) in assets derived from principal transactions | 592 | 252 | (13,824) | 178 |
| Total increase (decrease) in net assets | 568 | 231 | (16,329) | 182 |
| Net assets at December 31, 2007 | 592 | 382 | 83,912 | 203 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (2) | 8 | 1,712 | 17 |
| Total realized gain (loss) on investments and capital gains distributions | (90) | (66) | 1,802 | (15) |
| Net unrealized appreciation (depreciation) of investments | 37 | (77) | (31,217) | (113) |
| Net increase (decrease) in net assets from operations | (55) | (135) | (27,703) | (111) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (537) | (41) | (13,235) | 216 |
| Net increase (decrease) in assets derived from principal transactions | (537) | (41) | (13,235) | 216 |
| Total increase (decrease) in net assets | (592) | (176) | (40,938) | 105 |
| Net assets at December 31, 2008 | \$ - | \$ 206 | \$ 42,974 | \$ 308 |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING Van Kampen Equity and Income Portfolio - Initial Class | ING Van Kampen Equity and Income Portfolio - Service Class | ING VP Strategic Allocation Conservative Portfolio - Class I | ING VP Strategic Allocation Growth Portfolio - Class I |
|------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 378,557 | \$ 90 | \$ 39,520 | \$ 88,592 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 4,947 | 3 | 816 | 549 |
| Total realized gain (loss) on investments and capital gains distributions | 21,684 | 6 | 1,684 | 7,336 |
| Net unrealized appreciation (depreciation) of investments | (16,807) | (8) | (754) | (4,560) |
| Net increase (decrease) in net assets from operations | 9,824 | 1 | 1,746 | 3,325 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (63,112) | 97 | (3,605) | (7,328) |
| Net increase (decrease) in assets derived from principal transactions | (63,112) | 97 | (3,605) | (7,328) |
| Total increase (decrease) in net assets | (53,288) | 98 | (1,859) | (4,003) |
| Net assets at December 31, 2007 | 325,269 | 188 | 37,661 | 84,589 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 11,260 | 7 | 1,060 | 999 |
| Total realized gain (loss) on investments and capital gains distributions | 14,899 | 6 | 1,590 | 7,057 |
| Net unrealized appreciation (depreciation) of investments | (98,950) | (62) | (11,399) | (37,541) |
| Net increase (decrease) in net assets from operations | (72,791) | (49) | (8,749) | (29,485) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (35,482) | 18 | (3,072) | (6,229) |
| Net increase (decrease) in assets derived from principal transactions | (35,482) | 18 | (3,072) | (6,229) |
| Total increase (decrease) in net assets | (108,273) | (31) | (11,821) | (35,714) |
| Net assets at December 31, 2008 | <u>\$ 216,996</u> | <u>\$ 157</u> | <u>\$ 25,840</u> | <u>\$ 48,875</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING VP Strategic Allocation Moderate Portfolio - Class I | ING VP Growth and Income Portfolio - Class A | ING VP Growth and Income Portfolio - Class I | ING VP Growth and Income Portfolio - Class S |
|------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 82,807 | \$ - | \$ 1,940,188 | \$ - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 904 | 2 | 3,797 | 1 |
| Total realized gain (loss) on investments and capital gains distributions | 5,765 | - | (106,075) | - |
| Net unrealized appreciation (depreciation) of investments | (3,399) | (1) | 217,416 | - |
| Net increase (decrease) in net assets from operations | 3,270 | 1 | 115,138 | 1 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (12,927) | 157 | (296,758) | 100 |
| Net increase (decrease) in assets derived from principal transactions | (12,927) | 157 | (296,758) | 100 |
| Total increase (decrease) in net assets | (9,657) | 158 | (181,620) | 101 |
| Net assets at December 31, 2007 | 73,150 | 158 | 1,758,568 | 101 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 1,294 | 4 | 4,079 | 4 |
| Total realized gain (loss) on investments and capital gains distributions | 7,253 | (56) | (101,523) | (17) |
| Net unrealized appreciation (depreciation) of investments | (30,451) | (138) | (526,910) | (156) |
| Net increase (decrease) in net assets from operations | (21,904) | (190) | (624,354) | (169) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (4,721) | 403 | (207,576) | 373 |
| Net increase (decrease) in assets derived from principal transactions | (4,721) | 403 | (207,576) | 373 |
| Total increase (decrease) in net assets | (26,625) | 213 | (831,930) | 204 |
| Net assets at December 31, 2008 | <u>\$ 46,525</u> | <u>\$ 371</u> | <u>\$ 926,638</u> | <u>\$ 305</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING GET U.S. Core Portfolio - Series 1 | ING GET U.S. Core Portfolio - Series 2 | ING GET U.S. Core Portfolio - Series 3 | ING GET U.S. Core Portfolio - Series 5 |
|------------------------------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 995 | \$ 7,605 | \$ 27,885 | \$ 685 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 13 | 113 | 292 | - |
| Total realized gain (loss) on investments and capital gains distributions | 22 | 123 | 305 | 34 |
| Net unrealized appreciation (depreciation) of investments | (8) | (14) | 326 | (30) |
| Net increase (decrease) in net assets from operations | 27 | 222 | 923 | 4 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (105) | (2,129) | (5,604) | (29) |
| Net increase (decrease) in assets derived from principal transactions | (105) | (2,129) | (5,604) | (29) |
| Total increase (decrease) in net assets | (78) | (1,907) | (4,681) | (25) |
| Net assets at December 31, 2007 | 917 | 5,698 | 23,204 | 660 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 24 | 158 | 161 | (1) |
| Total realized gain (loss) on investments and capital gains distributions | (33) | (261) | 1,008 | 87 |
| Net unrealized appreciation (depreciation) of investments | (31) | (197) | (2,178) | (141) |
| Net increase (decrease) in net assets from operations | (40) | (300) | (1,009) | (55) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (877) | (5,398) | (4,537) | (124) |
| Net increase (decrease) in assets derived from principal transactions | (877) | (5,398) | (4,537) | (124) |
| Total increase (decrease) in net assets | (917) | (5,698) | (5,546) | (179) |
| Net assets at December 31, 2008 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 17,658</u> | <u>\$ 481</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING GET U.S. Core Portfolio - Series 6 | ING GET U.S. Core Portfolio - Series 7 | ING GET U.S. Core Portfolio - Series 8 | ING GET U.S. Core Portfolio - Series 9 |
|------------------------------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 3,931 | \$ 3,556 | \$ 1,507 | \$ 168 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 19 | 29 | 4 | 1 |
| Total realized gain (loss) on investments and capital gains distributions | 265 | 196 | 97 | 5 |
| Net unrealized appreciation (depreciation) of investments | (239) | (169) | (84) | (3) |
| Net increase (decrease) in net assets from operations | 45 | 56 | 17 | 3 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (1,058) | (1,096) | (555) | (7) |
| Net increase (decrease) in assets derived from principal transactions | (1,058) | (1,096) | (555) | (7) |
| Total increase (decrease) in net assets | (1,013) | (1,040) | (538) | (4) |
| Net assets at December 31, 2007 | 2,918 | 2,516 | 969 | 164 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 5 | 12 | 2 | - |
| Total realized gain (loss) on investments and capital gains distributions | 367 | 402 | 147 | 28 |
| Net unrealized appreciation (depreciation) of investments | (584) | (569) | (225) | (40) |
| Net increase (decrease) in net assets from operations | (212) | (155) | (76) | (12) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (471) | (325) | (119) | (10) |
| Net increase (decrease) in assets derived from principal transactions | (471) | (325) | (119) | (10) |
| Total increase (decrease) in net assets | (683) | (480) | (195) | (22) |
| Net assets at December 31, 2008 | <u>\$ 2,235</u> | <u>\$ 2,036</u> | <u>\$ 774</u> | <u>\$ 142</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING GET U.S. Core Portfolio - Series 10 | ING GET U.S. Core Portfolio - Series 11 | ING BlackRock Global Science and Technology Portfolio - Class I | ING International Index Portfolio - Class I |
|------------------------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------------------------------------------|----------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 76 | \$ 47 | \$ 37,594 | \$ - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | 1 | (385) | - |
| Total realized gain (loss) on investments and capital gains distributions | 2 | 1 | 1,796 | - |
| Net unrealized appreciation (depreciation) of investments | - | (2) | 4,645 | - |
| Net increase (decrease) in net assets from operations | 2 | - | 6,056 | - |
| Changes from contract transactions: | | | | |
| Total unit transactions | (2) | - | (816) | - |
| Net increase (decrease) in assets derived from principal transactions | (2) | - | (816) | - |
| Total increase (decrease) in net assets | - | - | 5,240 | - |
| Net assets at December 31, 2007 | 76 | 47 | 42,834 | - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 1 | - | (319) | 3 |
| Total realized gain (loss) on investments and capital gains distributions | 13 | 6 | 2,373 | (58) |
| Net unrealized appreciation (depreciation) of investments | (18) | (7) | (18,274) | 1 |
| Net increase (decrease) in net assets from operations | (4) | (1) | (16,220) | (54) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (2) | (14) | (3,218) | 274 |
| Net increase (decrease) in assets derived from principal transactions | (2) | (14) | (3,218) | 274 |
| Total increase (decrease) in net assets | (6) | (15) | (19,438) | 220 |
| Net assets at December 31, 2008 | <u>\$ 70</u> | <u>\$ 32</u> | <u>\$ 23,396</u> | <u>\$ 220</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING Lehman Brothers U.S. Aggregate Bond Index® Portfolio - Class I | ING Opportunistic Large Cap Growth Portfolio - Class I | ING Opportunistic Large Cap Value Portfolio - Class I | ING Russell™ Large Cap Index Portfolio - Class I |
|------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------|
| Net assets at January 1, 2007 | \$ - | \$ 67,837 | \$ 96,810 | - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | (541) | 590 | - |
| Total realized gain (loss) on investments and capital gains distributions | - | (3,169) | 3,989 | - |
| Net unrealized appreciation (depreciation) of investments | - | 13,275 | (2,489) | - |
| Net increase (decrease) in net assets from operations | - | 9,565 | 2,090 | - |
| Changes from contract transactions: | | | | |
| Total unit transactions | - | (15,081) | (16,721) | - |
| Net increase (decrease) in assets derived from principal transactions | - | (15,081) | (16,721) | - |
| Total increase (decrease) in net assets | - | (5,516) | (14,631) | - |
| Net assets at December 31, 2007 | - | 62,321 | 82,179 | - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 16 | (105) | 707 | 25 |
| Total realized gain (loss) on investments and capital gains distributions | 4 | (1,150) | 9,867 | (44) |
| Net unrealized appreciation (depreciation) of investments | 31 | (25,054) | (37,665) | (60) |
| Net increase (decrease) in net assets from operations | 51 | (26,309) | (27,091) | (79) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 1,508 | (5,598) | (10,762) | 2,754 |
| Net increase (decrease) in assets derived from principal transactions | 1,508 | (5,598) | (10,762) | 2,754 |
| Total increase (decrease) in net assets | 1,559 | (31,907) | (37,853) | 2,675 |
| Net assets at December 31, 2008 | <u>\$ 1,559</u> | <u>\$ 30,414</u> | <u>\$ 44,326</u> | <u>\$ 2,675</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING Russell™ Mid Cap Index Portfolio - Class I | ING Russell™ Small Cap Index Portfolio - Class I | ING VP Index Plus LargeCap Portfolio - Class I | ING VP Index Plus LargeCap Portfolio - Class S |
|------------------------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ - | \$ - | \$ 539,452 | \$ 7 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | - | 1,026 | - |
| Total realized gain (loss) on investments and capital gains distributions | - | - | (7,474) | (3) |
| Net unrealized appreciation (depreciation) of investments | - | - | 27,106 | 2 |
| Net increase (decrease) in net assets from operations | - | - | 20,658 | (1) |
| Changes from contract transactions: | | | | |
| Total unit transactions | - | - | (91,018) | 328 |
| Net increase (decrease) in assets derived from principal transactions | - | - | (91,018) | 328 |
| Total increase (decrease) in net assets | - | - | (70,360) | 327 |
| Net assets at December 31, 2007 | - | - | 469,092 | 334 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 16 | 4 | 3,904 | 4 |
| Total realized gain (loss) on investments and capital gains distributions | (88) | (37) | 17,274 | (30) |
| Net unrealized appreciation (depreciation) of investments | 2 | (158) | (184,448) | (137) |
| Net increase (decrease) in net assets from operations | (70) | (191) | (163,270) | (163) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 1,399 | 826 | (58,354) | 154 |
| Net increase (decrease) in assets derived from principal transactions | 1,399 | 826 | (58,354) | 154 |
| Total increase (decrease) in net assets | 1,329 | 635 | (221,624) | (9) |
| Net assets at December 31, 2008 | <u>\$ 1,329</u> | <u>\$ 635</u> | <u>\$ 247,468</u> | <u>\$ 325</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING VP Index Plus MidCap Portfolio - Class I | ING VP Index Plus MidCap Portfolio - Class S | ING VP Index Plus SmallCap Portfolio - Class I | ING VP Index Plus SmallCap Portfolio - Class S |
|------------------------------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 421,728 | \$ 43 | \$ 189,877 | \$ 52 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (928) | - | (944) | - |
| Total realized gain (loss) on investments and capital gains distributions | 50,730 | 9 | 31,898 | 5 |
| Net unrealized appreciation (depreciation) of investments | (29,602) | (15) | (42,343) | (13) |
| Net increase (decrease) in net assets from operations | 20,200 | (6) | (11,389) | (8) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (60,397) | 306 | (27,178) | 46 |
| Net increase (decrease) in assets derived from principal transactions | (60,397) | 306 | (27,178) | 46 |
| Total increase (decrease) in net assets | (40,197) | 300 | (38,567) | 38 |
| Net assets at December 31, 2007 | 381,531 | 343 | 151,310 | 90 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 1,349 | 3 | 6 | - |
| Total realized gain (loss) on investments and capital gains distributions | 46,938 | (27) | 7,167 | (10) |
| Net unrealized appreciation (depreciation) of investments | (183,479) | (123) | (54,249) | (7) |
| Net increase (decrease) in net assets from operations | (135,192) | (147) | (47,076) | (17) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (33,827) | 64 | (18,463) | (15) |
| Net increase (decrease) in assets derived from principal transactions | (33,827) | 64 | (18,463) | (15) |
| Total increase (decrease) in net assets | (169,019) | (83) | (65,539) | (32) |
| Net assets at December 31, 2008 | <u>\$ 212,512</u> | <u>\$ 260</u> | <u>\$ 85,771</u> | <u>\$ 58</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING VP Small Company Portfolio - Class I | ING VP Small Company Portfolio - Class S | ING VP Financial Services Portfolio - Class I | ING VP International Value Portfolio - Class I |
|------------------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 169,087 | \$ 11 | \$ 3,621 | \$ 123,753 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (1,271) | - | 19 | 1,111 |
| Total realized gain (loss) on investments and capital gains distributions | 41,173 | 2 | 204 | 28,055 |
| Net unrealized appreciation (depreciation) of investments | <u>(31,382)</u> | <u>(3)</u> | <u>(574)</u> | <u>(13,036)</u> |
| Net increase (decrease) in net assets from operations | 8,520 | (1) | (351) | 16,130 |
| Changes from contract transactions: | | | | |
| Total unit transactions | <u>(42,469)</u> | <u>77</u> | <u>(707)</u> | <u>18,248</u> |
| Net increase (decrease) in assets derived from principal transactions | <u>(42,469)</u> | <u>77</u> | <u>(707)</u> | <u>18,248</u> |
| Total increase (decrease) in net assets | <u>(33,949)</u> | <u>76</u> | <u>(1,058)</u> | <u>34,378</u> |
| Net assets at December 31, 2007 | 135,138 | 87 | 2,563 | 158,131 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 74 | 1 | 29 | 2,360 |
| Total realized gain (loss) on investments and capital gains distributions | 14,367 | (7) | (955) | 14,669 |
| Net unrealized appreciation (depreciation) of investments | <u>(55,736)</u> | <u>(40)</u> | <u>393</u> | <u>(85,517)</u> |
| Net increase (decrease) in net assets from operations | (41,295) | (46) | (533) | (68,488) |
| Changes from contract transactions: | | | | |
| Total unit transactions | <u>(7,582)</u> | <u>59</u> | <u>(2,030)</u> | <u>(4,658)</u> |
| Net increase (decrease) in assets derived from principal transactions | <u>(7,582)</u> | <u>59</u> | <u>(2,030)</u> | <u>(4,658)</u> |
| Total increase (decrease) in net assets | <u>(48,877)</u> | <u>13</u> | <u>(2,563)</u> | <u>(73,146)</u> |
| Net assets at December 31, 2008 | <u>\$ 86,261</u> | <u>\$ 100</u> | <u>\$ -</u> | <u>\$ 84,985</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING VP International Value Portfolio - Class S | ING VP MidCap Opportunities Portfolio - Class I | ING VP MidCap Opportunities Portfolio - Class S | ING VP Real Estate Portfolio - Class I |
|------------------------------------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------|-------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 60 | \$ 6,141 | \$ 3 | \$ 86,706 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 3 | (76) | - | 1,131 |
| Total realized gain (loss) on investments and capital gains distributions | 54 | 552 | - | 13,392 |
| Net unrealized appreciation (depreciation) of investments | (32) | 1,043 | 7 | (26,636) |
| Net increase (decrease) in net assets from operations | 25 | 1,519 | 7 | (12,113) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 395 | 2,098 | 60 | (25,561) |
| Net increase (decrease) in assets derived from principal transactions | 395 | 2,098 | 60 | (25,561) |
| Total increase (decrease) in net assets | 420 | 3,617 | 67 | (37,674) |
| Net assets at December 31, 2007 | 480 | 9,758 | 70 | 49,032 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 9 | (108) | (1) | 532 |
| Total realized gain (loss) on investments and capital gains distributions | (74) | 334 | (20) | (5,582) |
| Net unrealized appreciation (depreciation) of investments | (155) | (5,295) | (47) | 6,008 |
| Net increase (decrease) in net assets from operations | (220) | (5,069) | (68) | 958 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (12) | 3,959 | 106 | (49,990) |
| Net increase (decrease) in assets derived from principal transactions | (12) | 3,959 | 106 | (49,990) |
| Total increase (decrease) in net assets | (232) | (1,110) | 38 | (49,032) |
| Net assets at December 31, 2008 | <u>\$ 248</u> | <u>\$ 8,648</u> | <u>\$ 108</u> | <u>\$ -</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING VP SmallCap Opportunities Portfolio - Class I | ING VP SmallCap Opportunities Portfolio - Class S | ING VP Balanced Portfolio - Class I | ING VP Intermediate Bond Portfolio - Class I |
|---------------------------------------------------------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------------------|--------------------------------------------------------|-----------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 10,191 | \$ 10 | \$ 588,364 | \$ 400,146 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (95) | - | 8,816 | 11,361 |
| Total realized gain (loss) on investments and capital gains distributions | 797 | 1 | 15,720 | 185 |
| Net unrealized appreciation (depreciation) of investments | 155 | - | 253 | 8,421 |
| Net increase (decrease) in net assets from operations | 857 | 1 | 24,789 | 19,967 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 867 | 6 | (84,719) | 1,139 |
| Net increase (decrease) in assets derived from principal transactions | 867 | 6 | (84,719) | 1,139 |
| Total increase (decrease) in net assets | 1,724 | 7 | (59,930) | 21,106 |
| Net assets at December 31, 2007 | 11,915 | 17 | 528,434 | 421,252 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (90) | - | 11,005 | 17,688 |
| Total realized gain (loss) on investments and capital gains distributions | 1,703 | (1) | 12,369 | 6,073 |
| Net unrealized appreciation (depreciation) of investments | (6,117) | (19) | (162,838) | (62,449) |
| Net increase (decrease) in net assets from operations | (4,504) | (20) | (139,464) | (38,688) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 956 | 50 | (74,044) | (32,180) |
| Net increase (decrease) in assets derived from principal transactions | 956 | 50 | (74,044) | (32,180) |
| Total increase (decrease) in net assets | (3,548) | 30 | (213,508) | (70,868) |
| Net assets at December 31, 2008 | <u>\$ 8,367</u> | <u>\$ 47</u> | <u>\$ 314,926</u> | <u>\$ 350,384</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | ING VP Intermediate Bond Portfolio - Class S | ING VP Money Market Portfolio - Class I | Janus Adviser Balanced Fund - Class S | Janus Aspen Series Balanced Portfolio - Institutional Shares |
|------------------------------------------------------------------------------|-----------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------|-------------------------------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 12 | \$ 362,772 | \$ 1 | \$ 394 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 9 | 12,496 | - | 5 |
| Total realized gain (loss) on investments and capital gains distributions | 2 | 2,597 | - | 30 |
| Net unrealized appreciation (depreciation) of investments | (1) | 4,291 | - | - |
| Net increase (decrease) in net assets from operations | 10 | 19,384 | - | 35 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 227 | 138,090 | - | (62) |
| Net increase (decrease) in assets derived from principal transactions | 227 | 138,090 | - | (62) |
| Total increase (decrease) in net assets | 237 | 157,474 | - | (27) |
| Net assets at December 31, 2007 | 249 | 520,246 | 1 | 367 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 12 | 22,627 | - | 4 |
| Total realized gain (loss) on investments and capital gains distributions | (4) | 1,312 | - | 33 |
| Net unrealized appreciation (depreciation) of investments | (30) | (14,424) | - | (88) |
| Net increase (decrease) in net assets from operations | (22) | 9,515 | - | (51) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (15) | 11,258 | (1) | (80) |
| Net increase (decrease) in assets derived from principal transactions | (15) | 11,258 | (1) | (80) |
| Total increase (decrease) in net assets | (37) | 20,773 | (1) | (131) |
| Net assets at December 31, 2008 | <u>\$ 212</u> | <u>\$ 541,019</u> | <u>\$ -</u> | <u>\$ 236</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | Janus Aspen Series Flexible Bond Portfolio - Institutional Shares | Janus Aspen Series Large Cap Growth Portfolio - Institutional Shares | Janus Aspen Series Mid Cap Growth Portfolio - Institutional Shares | Janus Aspen Series Worldwide Growth Portfolio - Institutional Shares |
|------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 114 | \$ 148 | \$ 466 | \$ 353 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 4 | (1) | (5) | (1) |
| Total realized gain (loss) on investments and capital gains distributions | (3) | 13 | 79 | 27 |
| Net unrealized appreciation (depreciation) of investments | 5 | 7 | 19 | 4 |
| Net increase (decrease) in net assets from operations | 6 | 19 | 93 | 30 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (21) | (17) | (69) | (66) |
| Net increase (decrease) in assets derived from principal transactions | (21) | (17) | (69) | (66) |
| Total increase (decrease) in net assets | (15) | 2 | 24 | (36) |
| Net assets at December 31, 2007 | 99 | 150 | 490 | 317 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 3 | - | (4) | - |
| Total realized gain (loss) on investments and capital gains distributions | - | 13 | 50 | 26 |
| Net unrealized appreciation (depreciation) of investments | 1 | (68) | (243) | (156) |
| Net increase (decrease) in net assets from operations | 4 | (55) | (197) | (130) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (5) | (20) | (53) | (33) |
| Net increase (decrease) in assets derived from principal transactions | (5) | (20) | (53) | (33) |
| Total increase (decrease) in net assets | (1) | (75) | (250) | (163) |
| Net assets at December 31, 2008 | <u>\$ 98</u> | <u>\$ 75</u> | <u>\$ 240</u> | <u>\$ 154</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | Lazard U.S. Mid Cap Equity Portfolio - Open Shares | LKCM Aquinas Growth Fund | Loomis Sayles Small Cap Value Fund - Retail Class | Lord Abbett Mid-Cap Value Fund, Inc. - Class A |
|------------------------------------------------------------------------------|-----------------------------------------------------------------------|-------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ - | \$ 183 | \$ - | \$ 1,081 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 1 | (2) | - | (7) |
| Total realized gain (loss) on investments and capital gains distributions | 18 | 17 | - | 221 |
| Net unrealized appreciation (depreciation) of investments | (61) | 8 | - | (229) |
| Net increase (decrease) in net assets from operations | (42) | 23 | - | (15) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 368 | 30 | - | 191 |
| Net increase (decrease) in assets derived from principal transactions | 368 | 30 | - | 191 |
| Total increase (decrease) in net assets | 326 | 53 | - | 176 |
| Net assets at December 31, 2007 | 326 | 236 | - | 1,257 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 5 | (3) | 2 | 7 |
| Total realized gain (loss) on investments and capital gains distributions | (45) | (1) | (7) | (97) |
| Net unrealized appreciation (depreciation) of investments | (165) | (94) | 54 | (409) |
| Net increase (decrease) in net assets from operations | (205) | (98) | 49 | (499) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 267 | 68 | 856 | (19) |
| Net increase (decrease) in assets derived from principal transactions | 267 | 68 | 856 | (19) |
| Total increase (decrease) in net assets | 62 | (30) | 905 | (518) |
| Net assets at December 31, 2008 | <u>\$ 388</u> | <u>\$ 206</u> | <u>\$ 905</u> | <u>\$ 739</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
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| | Lord Abbett Small-Cap Value Fund - Class A | Lord Abbett Series Fund - Mid-Cap Value Portfolio - Class VC | Massachusetts Investors Growth Stock Fund - Class A | Moderate Allocation Portfolio |
|------------------------------------------------------------------------------|---------------------------------------------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------|----------------------------------------------|
| Net assets at January 1, 2007 | \$ 1,379 | \$ 156,234 | \$ 596 | \$ 25 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (14) | (1,001) | (3) | - |
| Total realized gain (loss) on investments and capital gains distributions | 258 | 25,132 | 7 | 2 |
| Net unrealized appreciation (depreciation) of investments | (112) | (24,441) | 62 | - |
| Net increase (decrease) in net assets from operations | 132 | (310) | 66 | 2 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 137 | (9,690) | 75 | (1) |
| Net increase (decrease) in assets derived from principal transactions | 137 | (9,690) | 75 | (1) |
| Total increase (decrease) in net assets | 269 | (10,000) | 141 | 1 |
| Net assets at December 31, 2007 | 1,648 | 146,234 | 737 | 26 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (11) | 243 | (4) | - |
| Total realized gain (loss) on investments and capital gains distributions | (57) | 248 | 27 | (3) |
| Net unrealized appreciation (depreciation) of investments | (465) | (54,679) | (270) | 1 |
| Net increase (decrease) in net assets from operations | (533) | (54,188) | (247) | (2) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (41) | (16,896) | (126) | (24) |
| Net increase (decrease) in assets derived from principal transactions | (41) | (16,896) | (126) | (24) |
| Total increase (decrease) in net assets | (574) | (71,084) | (373) | (26) |
| Net assets at December 31, 2008 | <u>\$ 1,074</u> | <u>\$ 75,150</u> | <u>\$ 364</u> | <u>\$ -</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | Morgan Stanley U.S. Small Cap Value Portfolio - Class I | Neuberger Berman Socially Responsive Fund® - Trust Class | New Perspective Fund®, Inc. - Class R-3 | New Perspective Fund®, Inc. - Class R-4 |
|------------------------------------------------------------------------------|----------------------------------------------------------------------------|---------------------------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|
| Net assets at January 1, 2007 | \$ - | \$ 519 | \$ 1,204 | \$ 27,925 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | (3) | 55 | 397 |
| Total realized gain (loss) on investments and capital gains distributions | - | 85 | 418 | 3,385 |
| Net unrealized appreciation (depreciation) of investments | - | (43) | 96 | 830 |
| Net increase (decrease) in net assets from operations | - | 39 | 569 | 4,612 |
| Changes from contract transactions: | | | | |
| Total unit transactions | - | 1,427 | 2,265 | 8,924 |
| Net increase (decrease) in assets derived from principal transactions | - | 1,427 | 2,265 | 8,924 |
| Total increase (decrease) in net assets | - | 1,466 | 2,834 | 13,536 |
| Net assets at December 31, 2007 | - | 1,985 | 4,038 | 41,461 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 9 | (6) | 50 | 648 |
| Total realized gain (loss) on investments and capital gains distributions | (8) | 8 | 104 | 3,107 |
| Net unrealized appreciation (depreciation) of investments | (215) | (1,057) | (1,754) | (24,241) |
| Net increase (decrease) in net assets from operations | (214) | (1,055) | (1,600) | (20,486) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 1,055 | 1,257 | 219 | 18,065 |
| Net increase (decrease) in assets derived from principal transactions | 1,055 | 1,257 | 219 | 18,065 |
| Total increase (decrease) in net assets | 841 | 202 | (1,381) | (2,421) |
| Net assets at December 31, 2008 | <u>\$ 841</u> | <u>\$ 2,187</u> | <u>\$ 2,657</u> | <u>\$ 39,040</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | Oppenheimer Capital Appreciation Fund - Class A | Oppenheimer Developing Markets Fund - Class A | Oppenheimer Global Securities/VA | Oppenheimer Main Street Fund®/VA |
|------------------------------------------------------------------------------|--------------------------------------------------------------------|------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| Net assets at January 1, 2007 | \$ 414 | \$ 163,882 | \$ 765 | \$ 123 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (5) | (159) | 2 | (1) |
| Total realized gain (loss) on investments and capital gains distributions | 18 | 39,241 | 101 | 5 |
| Net unrealized appreciation (depreciation) of investments | 45 | 15,075 | (60) | - |
| Net increase (decrease) in net assets from operations | 58 | 54,157 | 43 | 4 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 125 | 12,959 | (230) | (12) |
| Net increase (decrease) in assets derived from principal transactions | 125 | 12,959 | (230) | (12) |
| Total increase (decrease) in net assets | 183 | 67,116 | (187) | (8) |
| Net assets at December 31, 2007 | 597 | 230,998 | 578 | 115 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (5) | 659 | 3 | - |
| Total realized gain (loss) on investments and capital gains distributions | 10 | 43,934 | 7 | 7 |
| Net unrealized appreciation (depreciation) of investments | (301) | (155,001) | (203) | (50) |
| Net increase (decrease) in net assets from operations | (296) | (110,408) | (193) | (43) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 62 | (6,235) | (138) | (9) |
| Net increase (decrease) in assets derived from principal transactions | 62 | (6,235) | (138) | (9) |
| Total increase (decrease) in net assets | (234) | (116,643) | (331) | (52) |
| Net assets at December 31, 2008 | <u>\$ 363</u> | <u>\$ 114,355</u> | <u>\$ 247</u> | <u>\$ 63</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | Oppenheimer Main Street Small Cap Fund@/VA | Oppenheimer MidCap Fund/VA | Oppenheimer Strategic Bond Fund/VA | Pax World Balanced Fund |
|------------------------------------------------------------------------------|---------------------------------------------------------------|-------------------------------------------|---------------------------------------------------|------------------------------------|
| Net assets at January 1, 2007 | \$ 4,722 | \$ 1 | \$ 128 | \$ 50,097 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (54) | - | 4 | 411 |
| Total realized gain (loss) on investments and capital gains distributions | 242 | - | 4 | 3,027 |
| Net unrealized appreciation (depreciation) of investments | (481) | (1) | 3 | 830 |
| Net increase (decrease) in net assets from operations | (293) | (1) | 11 | 4,268 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 2,542 | 31 | (14) | 5,093 |
| Net increase (decrease) in assets derived from principal transactions | 2,542 | 31 | (14) | 5,093 |
| Total increase (decrease) in net assets | 2,249 | 30 | (3) | 9,361 |
| Net assets at December 31, 2007 | 6,971 | 31 | 125 | 59,458 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (34) | - | 5 | 477 |
| Total realized gain (loss) on investments and capital gains distributions | 106 | (2) | 1 | - |
| Net unrealized appreciation (depreciation) of investments | (2,871) | (13) | (25) | (21,064) |
| Net increase (decrease) in net assets from operations | (2,799) | (15) | (19) | (20,469) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 483 | (3) | (1) | 5,520 |
| Net increase (decrease) in assets derived from principal transactions | 483 | (3) | (1) | 5,520 |
| Total increase (decrease) in net assets | (2,316) | (18) | (20) | (14,949) |
| Net assets at December 31, 2008 | <u>\$ 4,655</u> | <u>\$ 13</u> | <u>\$ 105</u> | <u>\$ 44,509</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | PIMCO Real Return Portfolio - Administrative Class | Pioneer High Yield Fund - Class A | Pioneer Emerging Markets VCT Portfolio - Class I | Pioneer Equity Income VCT Portfolio - Class I |
|------------------------------------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------|-------------------------------------------------------------------------|------------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 25,436 | \$ 1,880 | \$ - | \$ 119,307 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 1,034 | 110 | (77) | 912 |
| Total realized gain (loss) on investments and capital gains distributions | (532) | 165 | 127 | 17,990 |
| Net unrealized appreciation (depreciation) of investments | 2,140 | (148) | 1,639 | (17,177) |
| Net increase (decrease) in net assets from operations | 2,642 | 127 | 1,689 | 1,725 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 5,949 | 1,387 | 27,385 | (119,843) |
| Net increase (decrease) in assets derived from principal transactions | 5,949 | 1,387 | 27,385 | (119,843) |
| Total increase (decrease) in net assets | 8,591 | 1,514 | 29,074 | (118,118) |
| Net assets at December 31, 2007 | 34,027 | 3,394 | 29,074 | 1,189 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 1,577 | 198 | (123) | 12 |
| Total realized gain (loss) on investments and capital gains distributions | (776) | (23) | 813 | (232) |
| Net unrealized appreciation (depreciation) of investments | (8,434) | (1,613) | (18,300) | 101 |
| Net increase (decrease) in net assets from operations | (7,633) | (1,438) | (17,610) | (119) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 41,029 | 601 | 271 | (1,070) |
| Net increase (decrease) in assets derived from principal transactions | 41,029 | 601 | 271 | (1,070) |
| Total increase (decrease) in net assets | 33,396 | (837) | (17,339) | (1,189) |
| Net assets at December 31, 2008 | <u>\$ 67,423</u> | <u>\$ 2,557</u> | <u>\$ 11,735</u> | <u>\$ -</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | Pioneer High Yield VCT Portfolio - Class I | Pioneer Mid Cap Value VCT Portfolio - Class I | Premier VIT OpCap Mid Cap Portfolio | RiverSource Diversified Equity Income Fund - Class R-4 |
|------------------------------------------------------------------------------|---------------------------------------------------------------|------------------------------------------------------------------|----------------------------------------------------|-------------------------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 12,297 | \$ 81,306 | \$ - | \$ - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 691 | 176 | (1) | - |
| Total realized gain (loss) on investments and capital gains distributions | (25) | (234) | (3) | - |
| Net unrealized appreciation (depreciation) of investments | (53) | 5,905 | (5) | - |
| Net increase (decrease) in net assets from operations | 613 | 5,847 | (9) | - |
| Changes from contract transactions: | | | | |
| Total unit transactions | 6,409 | (86,640) | 402 | - |
| Net increase (decrease) in assets derived from principal transactions | 6,409 | (86,640) | 402 | - |
| Total increase (decrease) in net assets | 7,022 | (80,793) | 393 | - |
| Net assets at December 31, 2007 | 19,319 | 513 | 393 | - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 1,262 | 4 | (8) | 9 |
| Total realized gain (loss) on investments and capital gains distributions | (464) | (92) | (8) | (18) |
| Net unrealized appreciation (depreciation) of investments | (7,575) | 36 | (1,105) | (251) |
| Net increase (decrease) in net assets from operations | (6,777) | (52) | (1,121) | (260) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (864) | (461) | 3,204 | 1,724 |
| Net increase (decrease) in assets derived from principal transactions | (864) | (461) | 3,204 | 1,724 |
| Total increase (decrease) in net assets | (7,641) | (513) | 2,083 | 1,464 |
| Net assets at December 31, 2008 | <u>\$ 11,678</u> | <u>\$ -</u> | <u>\$ 2,476</u> | <u>\$ 1,464</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | SMALLCAP World Fund® - Class R-4 | T. Rowe Price Mid-Cap Value Fund - R Class | T. Rowe Price Value Fund - Advisor Class | Templeton Foreign Fund - Class A |
|------------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------------|-------------------------------------------------|
| Net assets at January 1, 2007 | \$ - | \$ 1,010 | \$ 30 | \$ 876 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | 10 | 1 | 10 |
| Total realized gain (loss) on investments and capital gains distributions | - | 137 | 2 | 316 |
| Net unrealized appreciation (depreciation) of investments | - | (155) | (4) | (160) |
| Net increase (decrease) in net assets from operations | - | (8) | (1) | 166 |
| Changes from contract transactions: | | | | |
| Total unit transactions | - | (11) | 32 | 368 |
| Net increase (decrease) in assets derived from principal transactions | - | (11) | 32 | 368 |
| Total increase (decrease) in net assets | - | (19) | 31 | 534 |
| Net assets at December 31, 2007 | - | 991 | 61 | 1,410 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (2) | (3) | - | 20 |
| Total realized gain (loss) on investments and capital gains distributions | (77) | (8) | (1) | 103 |
| Net unrealized appreciation (depreciation) of investments | (150) | (367) | (27) | (749) |
| Net increase (decrease) in net assets from operations | (229) | (378) | (28) | (626) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 663 | 86 | 11 | (126) |
| Net increase (decrease) in assets derived from principal transactions | 663 | 86 | 11 | (126) |
| Total increase (decrease) in net assets | 434 | (292) | (17) | (752) |
| Net assets at December 31, 2008 | <u>\$ 434</u> | <u>\$ 699</u> | <u>\$ 44</u> | <u>\$ 658</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | Templeton Global Bond Fund - Class A | Diversified Value Portfolio | Equity Income Portfolio | Small Company Growth Portfolio |
|------------------------------------------------------------------------------|-----------------------------------------------------|----------------------------------------|------------------------------------|-----------------------------------------------|
| Net assets at January 1, 2007 | \$ 33,054 | \$ 100 | \$ 235 | \$ 18 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 3,435 | 1 | 3 | (1) |
| Total realized gain (loss) on investments and capital gains distributions | 123 | 4 | 19 | 2 |
| Net unrealized appreciation (depreciation) of investments | 1,205 | (2) | (15) | (3) |
| Net increase (decrease) in net assets from operations | 4,763 | 3 | 7 | (2) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 34,847 | 11 | 62 | 70 |
| Net increase (decrease) in assets derived from principal transactions | 34,847 | 11 | 62 | 70 |
| Total increase (decrease) in net assets | 39,610 | 14 | 69 | 68 |
| Net assets at December 31, 2007 | 72,664 | 114 | 304 | 86 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 7,305 | 2 | 6 | (1) |
| Total realized gain (loss) on investments and capital gains distributions | 440 | 5 | (9) | 7 |
| Net unrealized appreciation (depreciation) of investments | (3,683) | (51) | (93) | (45) |
| Net increase (decrease) in net assets from operations | 4,062 | (44) | (96) | (39) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 33,996 | 10 | (43) | 17 |
| Net increase (decrease) in assets derived from principal transactions | 33,996 | 10 | (43) | 17 |
| Total increase (decrease) in net assets | 38,058 | (34) | (139) | (22) |
| Net assets at December 31, 2008 | <u>\$ 110,722</u> | <u>\$ 80</u> | <u>\$ 165</u> | <u>\$ 64</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | Wanger International | Wanger Select | Wanger USA | Washington Mutual Investors FundSM, Inc. - Class R-3 |
|------------------------------------------------------------------------------|---------------------------------|----------------------|-------------------|----------------------------------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ - | \$ 26,052 | \$ 17,111 | \$ 3,858 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (24) | (497) | (197) | 44 |
| Total realized gain (loss) on investments and capital gains distributions | 39 | 1,366 | 1,351 | 390 |
| Net unrealized appreciation (depreciation) of investments | (156) | 735 | (498) | (338) |
| Net increase (decrease) in net assets from operations | (141) | 1,604 | 656 | 96 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 9,764 | 39,236 | 3,759 | 1,250 |
| Net increase (decrease) in assets derived from principal transactions | 9,764 | 39,236 | 3,759 | 1,250 |
| Total increase (decrease) in net assets | 9,623 | 40,840 | 4,415 | 1,346 |
| Net assets at December 31, 2007 | 9,623 | 66,892 | 21,526 | 5,204 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 6 | (471) | (179) | 71 |
| Total realized gain (loss) on investments and capital gains distributions | (355) | 1,376 | 1,971 | 24 |
| Net unrealized appreciation (depreciation) of investments | (5,402) | (35,291) | (11,029) | (1,954) |
| Net increase (decrease) in net assets from operations | (5,751) | (34,386) | (9,237) | (1,859) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 2,947 | 2,782 | 2,410 | 566 |
| Net increase (decrease) in assets derived from principal transactions | 2,947 | 2,782 | 2,410 | 566 |
| Total increase (decrease) in net assets | (2,804) | (31,604) | (6,827) | (1,293) |
| Net assets at December 31, 2008 | <u>\$ 6,819</u> | <u>\$ 35,288</u> | <u>\$ 14,699</u> | <u>\$ 3,911</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Changes in Net Assets
For the years ended December 31, 2008 and 2007
(Dollars in thousands)

| | Washington Mutual Investors FundSM, Inc. - Class R-4 | Wells Fargo Advantage Small Cap Value Fund - Class A |
|------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| Net assets at January 1, 2007 | \$ 88,156 | \$ 21 |
| Increase (decrease) in net assets from operations | | |
| Operations: | | |
| Net investment income (loss) | 811 | - |
| Total realized gain (loss) on investments and capital gains distributions | 7,508 | 7 |
| Net unrealized appreciation (depreciation) of investments | (5,611) | (5) |
| Net increase (decrease) in net assets from operations | 2,708 | 2 |
| Changes from contract transactions: | | |
| Total unit transactions | 384 | 24 |
| Net increase (decrease) in assets derived from principal transactions | 384 | 24 |
| Total increase (decrease) in net assets | 3,092 | 26 |
| Net assets at December 31, 2007 | 91,248 | 47 |
| Increase (decrease) in net assets from operations | | |
| Operations: | | |
| Net investment income (loss) | 1,166 | (1) |
| Total realized gain (loss) on investments and capital gains distributions | 979 | (8) |
| Net unrealized appreciation (depreciation) of investments | (33,169) | (23) |
| Net increase (decrease) in net assets from operations | (31,024) | (32) |
| Changes from contract transactions: | | |
| Total unit transactions | 720 | 31 |
| Net increase (decrease) in assets derived from principal transactions | 720 | 31 |
| Total increase (decrease) in net assets | (30,304) | (1) |
| Net assets at December 31, 2008 | <u>\$ 60,944</u> | <u>\$ 46</u> |

The accompanying notes are an integral part of these financial statements.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

1. Organization

Variable Annuity Account C of ING Life Insurance and Annuity Company (the “Account”) was established by ING Life Insurance and Annuity Company (“ILIAC” or the “Company”) to support the operations of variable annuity contracts (“Contracts”). The Company is an indirect wholly owned subsidiary of ING America Insurance Holdings, Inc. (“ING AIH”), an insurance holding company domiciled in the State of Delaware. ING AIH is an indirect wholly owned subsidiary of ING Groep, N.V., a global financial services holding company based in The Netherlands.

The Account is registered as a unit investment trust with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended. ILIAC provides for variable accumulation and benefits under the Contracts by crediting annuity considerations to one or more divisions within the Account or the fixed separate account, which is not part of the Account, as directed by the contractowners. The portion of the Account’s assets applicable to Contracts will not be charged with liabilities arising out of any other business ILIAC may conduct, but obligations of the Account, including the promise to make benefit payments, are obligations of ILIAC. The assets and liabilities of the Account are clearly identified and distinguished from the other assets and liabilities of ILIAC.

At December 31, 2008, the Account had 246 investment divisions (the “Divisions”), 86 of which invest in independently managed mutual funds and 160 of which invest in mutual funds managed by affiliates, either ING Investments, LLC (“IIL”) or Directed Services LLC (“DSL”). The assets in each Division are invested in shares of a designated fund (“Fund”) of various investment trusts (the “Trusts”). Investment Divisions with asset balances at December 31, 2008 and related Trusts are as follows:

| | |
|----------------------------------------------------------|-------------------------------------------------------------|
| AIM Growth Series: | American Balanced Fund®, Inc.: |
| AIM Mid Cap Core Equity Fund - Class A | American Balanced Fund® - Class R-3 |
| AIM Small Cap Growth Fund - Class A | American Century Quantitative Equity Funds, Inc.: |
| AIM Investment Funds: | American Century Income & Growth Fund - A Class |
| AIM Global Health Care Fund - Investor Class | Ariel Investment Trust: |
| AIM Variable Insurance Funds: | Ariel Appreciation Fund |
| AIM V.I. Capital Appreciation Fund - Series I Shares | Ariel Fund |
| AIM V.I. Core Equity Fund - Series I Shares | Artisan Funds, Inc.: |
| AllianceBernstein Growth and Income Fund, Inc.: | Artisan International Fund - Investor Shares** |
| AllianceBernstein Growth and Income Fund, Inc. - Class A | The Bond Fund of America SM , Inc.: |
| AllianceBernstein Variable Products Series Fund, Inc.: | The Bond Fund of America SM , Inc. - Class R-4** |
| AllianceBernstein Growth and Income Portfolio - Class A | Calvert Variable Series, Inc.: |
| Allianz Funds: | Calvert Social Balanced Portfolio |
| Allianz NFJ Large-Cap Value Fund - Institutional Class** | Columbia Acorn Trust: |
| Allianz NFJ Small-Cap Value Fund - Class A | Columbia SM Acorn Fund® - Class Z** |
| Amana Mutual Funds Trust: | Columbia Funds Series Trust: |
| Amana Growth Fund** | Columbia Mid Cap Value Fund - Class A** |
| Amana Income Fund** | Columbia Mid Cap Value Fund - Class Z** |
| | DWS Institutional Funds: |
| | DWS Equity 500 Index Fund - Class S |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

EuroPacific Growth Fund®:

EuroPacific Growth Fund® - Class R-3

EuroPacific Growth Fund® - Class R-4

Evergreen Equity Trust:

Evergreen Special Values Fund - Class A

Fidelity® Variable Insurance Products:

Fidelity® VIP Equity-Income Portfolio - Initial Class

Fidelity® VIP Growth Portfolio - Initial Class

Fidelity® VIP High Income Portfolio - Initial Class

Fidelity® VIP Overseas Portfolio - Initial Class

Fidelity® Variable Insurance Products II:

Fidelity® VIP Contrafund® Portfolio - Initial Class

Fidelity® VIP Index 500 Portfolio - Initial Class

Fidelity® Variable Insurance Products III:

Fidelity® VIP Mid Cap Portfolio - Initial Class

Fidelity® Variable Insurance Products V:

Fidelity® VIP Asset ManagerSM Portfolio - Initial Class

Franklin Mutual Series Fund Inc.:

Mutual Discovery Fund - Class R

Franklin Strategic Series:

Franklin Small-Mid Cap Growth Fund - Class A

Franklin Templeton Variable Insurance Products Trust:

Franklin Small Cap Value Securities Fund - Class 2

Fundamental Investors, Inc.:

Fundamental Investors, Inc. - Class R-3**

Fundamental Investors, Inc. - Class R-4**

The Growth Fund of America®, Inc.:

The Growth Fund of America® - Class R-3

The Growth Fund of America® - Class R-4

The Income Fund of America®, Inc.:

The Income Fund of America® - Class R-3

ING Equity Trust:

ING Financial Services Fund - Class A

ING Real Estate Fund - Class A

ING Funds Trust:

ING GNMA Income Fund - Class A

ING Intermediate Bond Fund - Class A

ING Investors Trust:

ING AllianceBernstein Mid Cap Growth Portfolio - Service Class

ING BlackRock Large Cap Growth Portfolio - Institutional Class*

ING BlackRock Large Cap Growth Portfolio - Service Class

ING BlackRock Large Cap Growth Portfolio - Service 2 Class*

ING Evergreen Health Sciences Portfolio - Service Class

ING Evergreen Omega Portfolio - Service Class*

ING FMRSM Diversified Mid Cap Portfolio - Service Class

ING Global Real Estate Portfolio - Institutional Class**

ING Global Resources Portfolio - Institutional Class

ING Global Resources Portfolio - Service Class

ING Janus Contrarian Portfolio - Service Class*

ING Investors Trust (continued):

ING JPMorgan Emerging Markets Equity Portfolio - Adviser Class

ING JPMorgan Emerging Markets Equity Portfolio - Institutional Class

ING JPMorgan Emerging Markets Equity Portfolio - Service Class

ING JPMorgan Small Cap Core Equity Portfolio - Service Class

ING JPMorgan Value Opportunities Portfolio - Institutional Class

ING JPMorgan Value Opportunities Portfolio - Service Class

ING Julius Baer Foreign Portfolio - Service Class

ING Legg Mason Value Portfolio - Service Class

ING Lord Abbett Affiliated Portfolio - Institutional Class

ING Lord Abbett Affiliated Portfolio - Service Class*

ING Marsico Growth Portfolio - Institutional Class**

ING Marsico Growth Portfolio - Service Class

ING Marsico International Opportunities Portfolio - Adviser Class*

ING Marsico International Opportunities Portfolio - Service Class

ING MFS Total Return Portfolio - Adviser Class

ING MFS Total Return Portfolio - Institutional Class

ING MFS Total Return Portfolio - Service Class

ING MFS Utilities Portfolio - Service Class

ING Oppenheimer Main Street Portfolio® - Service Class

ING PIMCO High Yield Portfolio - Institutional Class

ING PIMCO High Yield Portfolio - Service Class

ING Pioneer Equity Income Portfolio - Institutional Class*

ING Pioneer Fund Portfolio - Institutional Class

ING Pioneer Fund Portfolio - Service Class

ING Pioneer Mid Cap Value Portfolio - Adviser Class**

ING Pioneer Mid Cap Value Portfolio - Institutional Class

ING Pioneer Mid Cap Value Portfolio - Service Class

ING Stock Index Portfolio - Institutional Class

ING T. Rowe Price Capital Appreciation Portfolio - Service Class

ING T. Rowe Price Equity Income Portfolio - Adviser Class

ING T. Rowe Price Equity Income Portfolio - Service Class

ING Templeton Global Growth Portfolio - Institutional Class

ING Templeton Global Growth Portfolio - Service Class

ING Van Kampen Capital Growth Portfolio - Institutional Class**

ING Van Kampen Capital Growth Portfolio - Service Class

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

ING Investors Trust (continued):

ING Van Kampen Growth and Income Portfolio - Service Class
ING Van Kampen Real Estate Portfolio - Institutional Class
ING Van Kampen Real Estate Portfolio - Service Class
ING VP Index Plus International Equity Portfolio - Institutional Class*
ING VP Index Plus International Equity Portfolio - Service Class
ING Wells Fargo Small Cap Disciplined Portfolio - Service Class

ING Mutual Funds:

ING International Growth Opportunities Fund - Class Q
ING International SmallCap Multi-Manager Fund - Class A

ING Partners, Inc.:

ING American Century Large Company Value Portfolio - Adviser Class
ING American Century Large Company Value Portfolio - Service Class
ING American Century Small-Mid Cap Value Portfolio - Adviser Class
ING American Century Small-Mid Cap Value Portfolio - Service Class
ING Baron Asset Portfolio - Service Class
ING Baron Small Cap Growth Portfolio - Adviser Class
ING Baron Small Cap Growth Portfolio - Service Class
ING Columbia Small Cap Value II Portfolio - Service Class
ING Davis New York Venture Portfolio - Service Class
ING Fidelity® VIP Mid Cap Portfolio - Service Class
ING Index Solution 2015 Portfolio - Adviser Class**
ING Index Solution 2025 Portfolio - Adviser Class**
ING Index Solution 2035 Portfolio - Adviser Class**
ING Index Solution 2045 Portfolio - Adviser Class**
ING Index Solution Income Portfolio - Adviser Class**
ING JPMorgan Mid Cap Value Portfolio - Adviser Class
ING JPMorgan Mid Cap Value Portfolio - Service Class
ING Legg Mason Partners Aggressive Growth Portfolio - Adviser Class
ING Legg Mason Partners Aggressive Growth Portfolio - Initial Class
ING Legg Mason Partners Aggressive Growth Portfolio - Service Class
ING Neuberger Berman Partners Portfolio - Service Class
ING Oppenheimer Global Portfolio - Adviser Class
ING Oppenheimer Global Portfolio - Initial Class

ING Partners, Inc. (continued):

ING Oppenheimer Global Portfolio - Service Class
ING Oppenheimer Strategic Income Portfolio - Adviser Class
ING Oppenheimer Strategic Income Portfolio - Initial Class
ING Oppenheimer Strategic Income Portfolio - Service Class*
ING PIMCO Total Return Portfolio - Adviser Class
ING PIMCO Total Return Portfolio - Service Class
ING Pioneer High Yield Portfolio - Initial Class
ING Pioneer High Yield Portfolio - Service Class
ING Solution 2015 Portfolio - Adviser Class
ING Solution 2015 Portfolio - Service Class
ING Solution 2025 Portfolio - Adviser Class
ING Solution 2025 Portfolio - Service Class
ING Solution 2035 Portfolio - Adviser Class
ING Solution 2035 Portfolio - Service Class
ING Solution 2045 Portfolio - Adviser Class
ING Solution 2045 Portfolio - Service Class
ING Solution Growth and Income Portfolio - Service Class**
ING Solution Growth Portfolio - Service Class**
ING Solution Income Portfolio - Adviser Class
ING Solution Income Portfolio - Service Class
ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Adviser Class
ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Initial Class
ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Service Class
ING T. Rowe Price Growth Equity Portfolio - Adviser Class
ING T. Rowe Price Growth Equity Portfolio - Initial Class
ING T. Rowe Price Growth Equity Portfolio - Service Class
ING Templeton Foreign Equity Portfolio - Adviser Class**
ING Templeton Foreign Equity Portfolio - Initial Class**
ING Templeton Foreign Equity Portfolio - Service Class
ING Thornburg Value Portfolio - Adviser Class
ING Thornburg Value Portfolio - Initial Class
ING UBS U.S. Large Cap Equity Portfolio - Adviser Class*
ING UBS U.S. Large Cap Equity Portfolio - Initial Class
ING UBS U.S. Large Cap Equity Portfolio - Service Class
ING Van Kampen Comstock Portfolio - Adviser Class
ING Van Kampen Comstock Portfolio - Service Class
ING Van Kampen Equity and Income Portfolio - Adviser Class

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| | |
|----------------------------------------------------------------------|----------------------------------------------------------------------|
| ING Partners, Inc. (continued): | ING VP Intermediate Bond Portfolio: |
| ING Van Kampen Equity and Income Portfolio - Initial Class | ING VP Intermediate Bond Portfolio - Class I |
| ING Van Kampen Equity and Income Portfolio - Service Class | ING VP Intermediate Bond Portfolio - Class S |
| ING Strategic Allocation Portfolios, Inc.: | ING VP Money Market Portfolio: |
| ING VP Strategic Allocation Conservative Portfolio - Class I | ING VP Money Market Portfolio - Class I |
| ING VP Strategic Allocation Growth Portfolio - Class I | Janus Aspen Series: |
| ING VP Strategic Allocation Moderate Portfolio - Class I | Janus Aspen Series Balanced Portfolio - Institutional Shares |
| ING Variable Funds: | Janus Aspen Series Flexible Bond Portfolio - Institutional Shares |
| ING VP Growth and Income Portfolio - Class A* | Janus Aspen Series Large Cap Growth Portfolio - Institutional Shares |
| ING VP Growth and Income Portfolio - Class I | Janus Aspen Series Mid Cap Growth Portfolio - Institutional Shares |
| ING VP Growth and Income Portfolio - Class S* | Janus Aspen Series Worldwide Growth Portfolio - Institutional Shares |
| ING Variable Insurance Trust: | The Lazard Funds, Inc.: |
| ING GET U.S. Core Portfolio - Series 3 | Lazard U.S. Mid Cap Equity Portfolio - Open Shares* |
| ING GET U.S. Core Portfolio - Series 5 | LKCM Funds: |
| ING GET U.S. Core Portfolio - Series 6 | LKCM Aquinas Growth Fund |
| ING GET U.S. Core Portfolio - Series 7 | Loomis Sayles Funds I: |
| ING GET U.S. Core Portfolio - Series 8 | Loomis Sayles Small Cap Value Fund - Retail Class** |
| ING GET U.S. Core Portfolio - Series 9 | Lord Abnett Mid Cap Value Fund, Inc.: |
| ING GET U.S. Core Portfolio - Series 10 | Lord Abnett Mid-Cap Value Fund, Inc. - Class A |
| ING GET U.S. Core Portfolio - Series 11 | Lord Abnett Research Fund, Inc.: |
| ING Variable Portfolios, Inc.: | Lord Abnett Small-Cap Value Fund - Class A |
| ING BlackRock Global Science and Technology Portfolio - Class I | Lord Abnett Series Fund, Inc.: |
| ING International Index Portfolio - Class I** | Lord Abnett Series Fund - Mid-Cap Value Portfolio - Class VC |
| ING Lehman Brothers U.S. Aggregate Bond Index® Portfolio - Class I** | Massachusetts Investors Growth Stock Fund: |
| ING Opportunistic Large Cap Growth Portfolio - Class I | Massachusetts Investors Growth Stock Fund - Class A |
| ING Opportunistic Large Cap Value Portfolio - Class I | Morgan Stanley Institutional Fund Trust: |
| ING Russell™ Large Cap Index Portfolio - Class I** | Morgan Stanley U.S. Small Cap Value Portfolio - Class I** |
| ING Russell™ Mid Cap Index Portfolio - Class I** | Neuberger Berman Equity Funds®: |
| ING Russell™ Small Cap Index Portfolio - Class I** | Neuberger Berman Socially Responsive Fund® - Trust Class |
| ING VP Index Plus LargeCap Portfolio - Class I | New Perspective Fund®, Inc.: |
| ING VP Index Plus LargeCap Portfolio - Class S | New Perspective Fund®, Inc. - Class R-3 |
| ING VP Index Plus MidCap Portfolio - Class I | New Perspective Fund®, Inc. - Class R-4 |
| ING VP Index Plus MidCap Portfolio - Class S | Oppenheimer Capital Appreciation Fund: |
| ING VP Index Plus SmallCap Portfolio - Class I | Oppenheimer Capital Appreciation Fund - Class A |
| ING VP Index Plus SmallCap Portfolio - Class S | Oppenheimer Developing Markets Fund: |
| ING VP Small Company Portfolio - Class I | Oppenheimer Developing Markets Fund - Class A |
| ING VP Small Company Portfolio - Class S | Oppenheimer Variable Account Funds: |
| ING Variable Products Trust: | Oppenheimer Global Securities/VA |
| ING VP International Value Portfolio - Class I | Oppenheimer Main Street Fund®/VA |
| ING VP International Value Portfolio - Class S | Oppenheimer Main Street Small Cap Fund®/VA |
| ING VP MidCap Opportunities Portfolio - Class I | Oppenheimer MidCap Fund/VA |
| ING VP MidCap Opportunities Portfolio - Class S | Oppenheimer Strategic Bond Fund/VA |
| ING VP SmallCap Opportunities Portfolio - Class I | Pax World Funds Series Trust I: |
| ING VP SmallCap Opportunities Portfolio - Class S | Pax World Balanced Fund |
| ING VP Balanced Portfolio, Inc.: | PIMCO Variable Insurance Trust: |
| ING VP Balanced Portfolio - Class I | PIMCO Real Return Portfolio - Administrative Class |
| | Pioneer High Yield Fund: |
| | Pioneer High Yield Fund - Class A |

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|---------------------------------------------------|---------------------------------------------------------|
| Pioneer Variable Contracts Trust: | Vanguard® Variable Insurance Fund: |
| Pioneer Emerging Markets VCT Portfolio - Class I* | Diversified Value Portfolio |
| Pioneer Equity Income VCT Portfolio - Class I | Equity Income Portfolio |
| Pioneer High Yield VCT Portfolio - Class I | Small Company Growth Portfolio |
| Premier VIT: | Wanger Advisors Trust: |
| Premier VIT OpCap Mid Cap Portfolio* | Wanger International* |
| RiverSource Investment Series, Inc.: | Wanger Select |
| RiverSource Diversified Equity Income Fund - | Wanger USA |
| Class R-4** | Washington Mutual Investors Fund SM , Inc.: |
| SmallCap World Fund, Inc.: | Washington Mutual Investors Fund SM , Inc. - |
| SMALLCAP World Fund® - Class R-4** | Class R-3 |
| T. Rowe Price Mid-Cap Value Fund, Inc.: | Washington Mutual Investors Fund SM , Inc. - |
| T. Rowe Price Mid-Cap Value Fund - R Class | Class R-4 |
| T. Rowe Price Value Fund, Inc.: | Wells Fargo Funds Trust: |
| T. Rowe Price Value Fund - Advisor Class | Wells Fargo Advantage Small Cap Value Fund - |
| Templeton Funds, Inc.: | Class A |
| Templeton Foreign Fund - Class A | |
| Templeton Income Trust: | |
| Templeton Global Bond Fund - Class A | |

* Division added in 2007

** Division added in 2008

The names of certain Divisions were changed during 2008. The following is a summary of current and former names for those Divisions:

| Current Name | Former Name |
|-----------------------------------------------------------------|------------------------------------------------------------------------|
| ING Investors Trust: | ING Investors Trust: |
| ING Van Kampen Large Cap Growth Portfolio - Institutional Class | ING FMR SM Large Cap Growth Portfolio - Institutional Class |
| ING Van Kampen Large Cap Growth Portfolio - Service Class | ING FMR SM Large Cap Growth Portfolio - Service Class |
| ING Variable Portfolios, Inc.: | ING Variable Portfolios, Inc.: |
| ING BlackRock Global Science and Technology Portfolio - Class I | ING VP Global Science and Technology Portfolio - Class I |
| ING Opportunistic Large Cap Growth Portfolio - Class I | ING VP Growth Portfolio - Class I |
| ING Opportunistic Large Cap Value Portfolio - Class I | ING VP Value Opportunity Portfolio - Class I |
| The Lazard Funds, Inc.: | The Lazard Funds, Inc.: |
| Lazard U.S. Mid Cap Equity Portfolio - Open Shares | Lazard Mid Cap Portfolio - Open Shares |
| Wanger Advisors Trust: | Wanger Advisors Trust: |
| Wanger International | Wanger International Small Cap |
| Wanger USA | Wanger U.S. Smaller Companies |

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During 2008, the following Divisions were closed to contractowners:

Capital One Funds:

Capital One Mid Cap Equity Fund - Class A

ING Investors Trust:

ING Van Kampen Large Cap Growth Portfolio - Institutional Class

ING Van Kampen Large Cap Growth Portfolio - Service Class

ING Wells Fargo Disciplined Value Portfolio - Adviser Class

ING Wells Fargo Disciplined Value Portfolio - Service Class

ING Partners, Inc.:

ING JPMorgan International Portfolio - Adviser Class

ING JPMorgan International Portfolio - Initial Class

ING JPMorgan International Portfolio - Service Class

ING Legg Mason Partners Large Cap Growth Portfolio - Adviser Class

ING Legg Mason Partners Large Cap Growth Portfolio - Initial Class

ING Neuberger Berman Regency Portfolio - Service Class

ING OpCap Balanced Value Portfolio - Service Class

ING UBS U.S. Small Cap Growth Portfolio - Service Class

ING Variable Insurance Trust:

ING GET U.S. Core Portfolio - Series 1

ING GET U.S. Core Portfolio - Series 2

ING Variable Products Trust:

ING VP Financial Services Portfolio - Class I

ING VP Real Estate Portfolio - Class I

Janus Adviser Series:

Janus Adviser Balanced Fund - Class S

Moderate Allocation Portfolio:

Moderate Allocation Portfolio

Pioneer Variable Contracts Trust:

Pioneer Mid Cap Value VCT Portfolio - Class I

The following Divisions were offered during 2008, but had no investments as of December 31, 2008:

AIM Equity Funds:

AIM Charter Fund - Class A

AIM Constellation Fund - Class A

AIM Investment Securities Funds:

AIM Income Fund - Class A

AIM Stock Funds:

AIM Dynamics Fund - Investor Class

Alger Funds:

Alger SmallCap Growth Fund - Class A

Alger Funds II:

Alger Green Fund - Class A

Allianz Funds:

Allianz NFJ Dividend Value Fund - Class A

Allianz NFJ Small-Cap Value Fund - Institutional Class

American Balanced Fund®, Inc.:

American Balanced Fund® - Class R-4

American Century Mutual Funds:

American Century Ultra® Fund - Adviser Class

BlackRock Large Cap Series Funds, Inc.:

BlackRock Large Cap Value Fund - Investor A Shares

Calvert World Values Fund, Inc.:

Calvert Capital Accumulation Fund - Class A

Capital World Growth & Income Fund®, Inc.:

Capital World Growth & Income Fund®, Inc. - Class R-4

Capital World Growth & Income Fund®, Inc. - Class R-5

Columbia Acorn Trust:

ColumbiaSM Acorn USA® - Class A

Davis New York Venture Fund, Inc.:

Davis New York Venture Fund - Class R

Dodge & Cox Funds:

Dodge & Cox International Stock Fund

Fidelity® Advisor Series I:

Fidelity® Advisor Balanced Fund - Class T

Fidelity® Advisor Equity Growth Fund - Class T

Fidelity® Advisor Equity Income Fund - Class T

Fidelity® Advisor Growth Opportunities Fund - Class T

Fidelity® Advisor Leveraged Company Stock Fund - Institutional Class

Fidelity® Variable Insurance Products:

Fidelity® VIP Equity-Income Portfolio - Service Class 2

Fidelity® VIP Growth Portfolio - Service Class 2

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| | |
|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Fidelity® Variable Insurance Products II: Fidelity® VIP Contrafund® Portfolio - Service Class 2 | ING Series Fund, Inc. (continued): ING Strategic Allocation Conservative Fund - Class A |
| Franklin Value Investors Trust: Franklin Balance Sheet Investment Fund - Class A | ING Strategic Allocation Growth Fund - Class A |
| Goldman Sachs Trust: Goldman Sachs Capital Growth Fund - Class A | ING Strategic Allocation Moderate Fund - Class A |
| Goldman Sachs Concentrated International Equity Fund - Class A | ING Variable Portfolios, Inc.: ING BlackRock Global Science and Technology Portfolio - Class S |
| The Growth Fund of America®, Inc.: The Growth Fund of America® - Class R-5 | ING Opportunistic Large Cap Growth Portfolio - Class S |
| ING Equity Trust: ING LargeCap Growth Fund - Class A | ING Opportunistic Large Cap Value Portfolio - Class S |
| ING SmallCap Opportunities Fund - Class A | Janus Adviser Series: Janus Adviser Flexible Bond Fund - Class S |
| ING Investors Trust: ING AllianceBernstein Mid Cap Growth Portfolio - Adviser Class | Janus Adviser Forty Fund - Class S |
| ING Evergreen Omega Portfolio - Institutional Class | Janus Adviser Large Cap Growth Fund - Class S |
| ING FMR SM Diversified Mid Cap Portfolio - Adviser Class | Janus Adviser Mid Cap Growth Fund - Class S |
| ING FMR SM Equity Income Portfolio - Institutional Class | Janus Adviser Worldwide Fund - Class S |
| ING FMR SM Equity Income Portfolio - Service Class | Janus Aspen Series: Janus Aspen Series International Growth Portfolio - Institutional Shares |
| ING Julius Baer Foreign Portfolio - Institutional Class | Janus Investment Fund: Janus Contrarian Fund |
| ING Legg Mason Value Portfolio - Institutional Class | Keeley Small Cap Value Fund, Inc.: Keeley Small Cap Value Fund |
| ING Marsico Growth Portfolio - Adviser Class | The Lazard Funds, Inc.: Lazard Emerging Markets Equity Portfolio - Open Shares |
| ING Pioneer Equity Income Portfolio - Service Class | Lazard International Equity Portfolio - Open Shares |
| ING Mayflower Trust: ING International Value Fund - Class A | Lazard U.S. Small-Mid Cap Equity Portfolio - Open Shares |
| ING Mutual Funds: ING Global Real Estate Fund - Class I | Legg Mason Special Investment Trust, Inc.: Legg Mason Special Investment Trust, Inc. - Primary Class |
| ING Global Value Choice Fund - Class A | Loomis Sayles Funds II: Loomis Sayles Investment Grade Bond Fund - Class Y |
| ING Partners, Inc.: ING Columbia Small Cap Value II Portfolio - Adviser Class | MFS® Series Trust II: MFS® Growth Fund - Class A |
| ING Davis New York Venture Portfolio - Adviser Class | MFS® Series Trust V: MFS® Research Fund - Class A |
| ING Index Solution 2015 Portfolio - Initial Class | MFS® Total Return Fund - Class A |
| ING Index Solution 2015 Portfolio - Service Class | MFS® Total Return Fund - Class I |
| ING Index Solution 2025 Portfolio - Initial Class | MFS® Series Trust VI: MFS® Global Equity Fund - Class A |
| ING Index Solution 2025 Portfolio - Service Class | Morgan Stanley Institutional Fund Trust: Morgan Stanley Mid Cap Growth Portfolio - Adviser Class |
| ING Index Solution 2035 Portfolio - Initial Class | Morgan Stanley U.S. Small Cap Value Portfolio - Class P |
| ING Index Solution 2035 Portfolio - Service Class | Oppenheimer Capital Income Fund: Oppenheimer Capital Income Fund - Class A |
| ING Index Solution 2045 Portfolio - Initial Class | Oppenheimer Champion Income Fund: Oppenheimer Champion Income Fund - Class A |
| ING Index Solution 2045 Portfolio - Service Class | Oppenheimer Integrity Funds: Oppenheimer Core Bond Fund - Class A |
| ING Index Solution Income Portfolio - Initial Class | |
| ING Index Solution Income Portfolio - Service Class | |
| ING Thornburg Value Portfolio - Service Class | |
| ING Series Fund, Inc.: ING Balanced Fund - Class A | |
| ING Global Science and Technology Fund - Class A | |
| ING Growth and Income Fund - Class A | |
| ING Index Plus LargeCap Fund - Class A | |
| ING Index Plus MidCap Fund - Class A | |
| ING Index Plus SmallCap Fund - Class A | |
| ING Money Market Fund - Class A | |
| ING Small Company Fund - Class A | |

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Oppenheimer International Bond Fund:
Oppenheimer International Bond Fund - Class Y
Oppenheimer International Small Company Fund:
Oppenheimer International Small Company Fund -
Class Y
Parnassus Income Funds:
Parnassus Equity Income Fund - Investor Shares
Pioneer Equity Income Fund:
Pioneer Equity Income Fund - Class A
Pioneer Variable Contracts Trust:
Pioneer Equity Income VCT Portfolio - Class II
Prudential Investment Portfolios, Inc.:
Jennison Equity Opportunity Fund - Class A
Jennison Growth Fund - Class A
RiverSource Investment Series, Inc.:
RiverSource Diversified Equity Income Fund -
Class R-3
RiverSource Diversified Equity Income Fund -
Class R-5
RiverSource Mid Cap Value Fund - Class R-5

T. Rowe Price Science and Technology Fund, Inc.:
T. Rowe Price Science and Technology Fund -
Advisor Class
Thornburg Investment Trust:
Thornburg Core Growth Fund - Class R5
Vanguard® Index Funds:
Vanguard® 500 Index Fund - Investor Shares
Vanguard® 500 Index Fund - Signal™ Shares
Vanguard® Extended Market Index Fund - Signal™
Shares
Vanguard® Small-Cap Index Fund - Signal™ Shares
Vanguard® Total Bond Market Index Fund - Signal™
Shares
Vanguard® Total Stock Market Index Fund -
Signal™ Shares
Wells Fargo Funds Trust:
Wells Fargo Advantage Mid Cap Disciplined Fund -
Administrator Class

Effective October 7, 2008, ING VP Money Market Portfolio changed its investment objective to seeking to maintain a stable share price of \$1.00 per share. In connection with this change, ING VP Money Market Portfolio utilized a stock split and distributed additional shares to its shareholders such that each shareholder's proportionate interest and aggregate value of investment in ING VP Money Market Portfolio remained the same.

2. Significant Accounting Policies

The following is a summary of the significant accounting policies of the Account:

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from reported results using those estimates.

Investments

Investments are made in shares of a Fund and are recorded at fair value, determined by the net asset value per share of the respective Fund. Investment transactions in each Fund are recorded on the trade date. Distributions of net investment income and capital gains from each Fund are recognized on the ex-distribution date. Realized gains and losses on redemptions of the shares of the Fund are determined on a first-in, first-out basis. The difference between cost and current market value of investments owned on

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the day of measurement is recorded as unrealized appreciation or depreciation of investments.

Federal Income Taxes

Operations of the Account form a part of, and are taxed with, the total operations of ILIAC, which is taxed as a life insurance company under the Internal Revenue Code. Earnings and realized capital gains of the Account attributable to the contractowners are excluded in the determination of the federal income tax liability of ILIAC.

Contractowner Reserves

Prior to the annuity date, the Contracts are redeemable for the net cash surrender value of the Contracts. The annuity reserves of the Account are represented by net assets on the Statements of Assets and Liabilities and are equal to the aggregate account values of the contractowners invested in the Account Divisions. To the extent that benefits to be paid to the contractowners exceed their account values, ILIAC will contribute additional funds to the benefit proceeds. Conversely, if amounts allocated exceed amounts required, transfers may be made to ILIAC.

Changes from Principal Transactions

Included in Changes from Principal Transactions on the Statements of Changes in Net Assets are items which relate to contractowner activity, including deposits, surrenders and withdrawals, benefits, and contract charges. Also included are transfers between the fixed account and the Divisions, transfers between Divisions, and transfers to (from) ILIAC related to gains and losses resulting from actual mortality experience (the full responsibility for which is assumed by ILIAC). Any net unsettled transactions as of the reporting date are included in Payable to related parties on the Statements of Assets and Liabilities.

3. Recently Adopted Accounting Standards

Fair Value Measurements

In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("FAS") No. 157, "Fair Value Measurements" ("FAS No. 157"). FAS No. 157 provides guidance for using fair value to measure assets and liabilities whenever other standards require (or permit) assets or liabilities to be measured at fair value. FAS No. 157 does not expand the use of fair value to any new circumstances.

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Under FAS No. 157, the FASB clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the asset or liability. In support of this principle, FAS No. 157 establishes a fair value hierarchy that prioritizes the information used to develop such assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets and the lowest priority to unobservable data. FAS No. 157 also requires separate disclosure of fair value measurements by level within the hierarchy and expanded disclosure of the effect on earnings for items measured using unobservable data.

The adoption of FAS No. 157 on January 1, 2008 did not have an impact on the Account's net assets or results of operations. New disclosures are included in the Financial Instruments footnote.

4. Financial Instruments

The Account invests assets in shares of open-end mutual funds and funds of funds, which process orders to purchase and redeem shares on a daily basis at the fund's next computed net asset values ("NAV"). The fair value of the Account's assets is based on the NAVs of mutual funds, which are obtained from the custodian and reflect the fair values of the mutual fund investments. The NAV is calculated daily upon close of the New York Stock Exchange and is based on the fair values of the underlying securities.

The Account's financial assets are recorded at fair value on the Statements of Assets and Liabilities and are categorized as Level 1 as of December 31, 2008, based on the priority of the inputs to the valuation technique below. The Account had no financial liabilities as of December 31, 2008.

The FAS No. 157 fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure fair value fall within different levels of the hierarchy, the category level is based on the lowest priority level input that is significant to the fair value measurement of the instrument.

- Level 1 - Unadjusted quoted prices for identical assets or liabilities in an active market.
- Level 2 - Quoted prices in markets that are not active or inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:
 - a) Quoted prices for similar assets or liabilities in active markets;
 - b) Quoted prices for identical or similar assets or liabilities in non-active markets;
 - c) Inputs other than quoted market prices that are observable; and
 - d) Inputs that are derived principally from or corroborated by observable market data through correlation or other means.

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- Level 3 - Prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These valuations, whether derived internally or obtained from a third party, use critical assumptions that are not widely available to estimate market participant expectations in valuing the asset or liability.

5. Charges and Fees

Under the terms of the Contracts, certain charges are allocated to the Contracts to cover ILIAC's expenses in connection with the issuance and administration of the Contracts. Following is a summary of these charges:

Mortality and Expense Risk Charges

ILIAC assumes mortality and expense risks related to the operations of the Account and, in accordance with the terms of the Contracts, deducts a daily charge from the assets of the Account. Daily charges are deducted at annual rates of up to 1.50% of the average daily net asset value of each Division of the Account to cover these risks, as specified in the Contracts.

Asset Based Administrative Charges

A daily charge to cover administrative expenses of the Account is deducted at an annual rate of up to 0.25% of the assets attributable to the Contracts.

Contract Maintenance Charges

An annual Contract maintenance fee of up to \$40 may be deducted from the accumulation value of Contracts to cover ongoing administrative expenses, as specified in the Contract.

Contingent Deferred Sales Charges

For certain Contracts, a contingent deferred sales charge ("Surrender Charge") is imposed as a percentage that ranges up to 7.00% of each premium payment if the Contract is surrendered or an excess partial withdrawal is taken as specified in the Contract.

Other Contract Charges

For certain Contracts, an additional annual charge of 1.00% is deducted daily from the accumulation value of Contracts for contractowners who select the Five-Year Guaranteed Minimum Income feature.

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Premium Taxes

For certain Contracts, premium taxes are deducted, where applicable, from the accumulation value of each Contract. The amount and timing of the deduction depends on the contractowner's state of residence and currently ranges up to 4.00% of premiums.

6. Related Party Transactions

During the year ended December 31, 2008, management and service fees were paid indirectly to IIL, an affiliate of the Company, in its capacity as investment adviser to the ING Equity Trust, ING Funds Trust, ING Mutual Funds, ING Variable Products Trust, ING VP Intermediate Bond Portfolio, ING VP Money Market Portfolio, ING VP Balanced Portfolio, Inc., ING Strategic Allocation Portfolios, Inc., ING Variable Funds, ING Variable Insurance Trust, and ING Variable Portfolios, Inc. The annual fee rate ranged from 0.08% to 1.00% of the average net assets of each respective Fund.

In addition, management fees were paid to DSL in its capacity as investment adviser to ING Partners, Inc. and ING Investors Trust. The Trusts' advisory agreement provided for a fee at an annual rate up to 1.25% of the average net assets of each respective Fund.

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7. Purchases and Sales of Investment Securities

The aggregate cost of purchases and proceeds from sales of investments follow:

| | Year ended December 31 | | | |
|-----------------------------------------------------------|-------------------------------|-------|-----------|--------|
| | 2008 | | 2007 | |
| | Purchases | Sales | Purchases | Sales |
| | <i>(Dollars in thousands)</i> | | | |
| AIM Growth Series: | | | | |
| AIM Mid Cap Core Equity Fund - Class A | \$ 115 | \$ 58 | \$ 96 | \$ 39 |
| AIM Small Cap Growth Fund - Class A | 14 | 8 | 23 | 4 |
| AIM Investment Funds: | | | | |
| AIM Global Health Care Fund - Investor Class | 45 | 19 | 56 | 26 |
| AIM Variable Insurance Funds: | | | | |
| AIM V.I. Capital Appreciation Fund - Series I Shares | 1,530 | 3,480 | 2,260 | 5,570 |
| AIM V.I. Core Equity Fund - Series I Shares | 5,020 | 6,612 | 3,055 | 7,949 |
| AllianceBernstein Growth and Income Fund, Inc.: | | | | |
| AllianceBernstein Growth and Income Fund, Inc. - Class A | 127 | 18 | 68 | 6 |
| AllianceBernstein Variable Products Series Fund, Inc.: | | | | |
| AllianceBernstein Growth and Income Portfolio - Class A | 183 | 106 | 238 | 138 |
| Allianz Funds: | | | | |
| Allianz NFJ Large-Cap Value Fund - Institutional Class | 1,183 | 373 | - | - |
| Allianz NFJ Small-Cap Value Fund - Class A | 159 | 114 | 154 | 151 |
| Amana Mutual Funds Trust: | | | | |
| Amana Growth Fund | 36 | - | - | - |
| Amana Income Fund | 46 | - | - | - |
| American Balanced Fund®, Inc.: | | | | |
| American Balanced Fund® - Class R-3 | 1,324 | 1,956 | 1,822 | 533 |
| American Century Quantitative Equity Funds, Inc.: | | | | |
| American Century Income & Growth Fund - A Class | 1,028 | 864 | 2,057 | 1,690 |
| Ariel Investment Trust: | | | | |
| Ariel Appreciation Fund | 178 | 60 | 208 | 192 |
| Ariel Fund | 353 | 121 | 340 | 60 |
| Artisan Funds, Inc.: | | | | |
| Artisan International Fund - Investor Shares | 985 | 572 | - | - |
| The Bond Fund of America SM , Inc.: | | | | |
| The Bond Fund of America SM , Inc. - Class R-4 | 2,871 | 771 | - | - |
| Calvert Variable Series, Inc.: | | | | |
| Calvert Social Balanced Portfolio | 3,688 | 8,210 | 7,707 | 10,570 |
| Capital One Funds: | | | | |
| Capital One Mid Cap Equity Fund - Class A | 23 | 66 | 117 | 118 |
| Columbia Acorn Trust: | | | | |
| Columbia SM Acorn Fund® - Class Z | 1,288 | 136 | - | - |
| Columbia Funds Series Trust: | | | | |
| Columbia Mid Cap Value Fund - Class A | 1,696 | 41 | - | - |
| Columbia Mid Cap Value Fund - Class Z | 876 | 96 | - | - |
| DWS Institutional Funds: | | | | |
| DWS Equity 500 Index Fund - Class S | 61 | 19 | 78 | 23 |
| EuroPacific Growth Fund®: | | | | |
| EuroPacific Growth Fund® - Class R-3 | 3,250 | 666 | 5,869 | 387 |
| EuroPacific Growth Fund® - Class R-4 | 63,122 | 9,451 | 70,434 | 10,878 |

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| | Year ended December 31 | | | |
|---------------------------------------------------------------------|-------------------------------|-----------|-----------|-----------|
| | 2008 | | 2007 | |
| | Purchases | Sales | Purchases | Sales |
| | <i>(Dollars in thousands)</i> | | | |
| Evergreen Equity Trust: | | | | |
| Evergreen Special Values Fund - Class A | \$ 8,381 | \$ 11,051 | \$ 32,044 | \$ 16,609 |
| Fidelity® Variable Insurance Products: | | | | |
| Fidelity® VIP Equity-Income Portfolio - Initial Class | 17,331 | 54,245 | 64,478 | 57,707 |
| Fidelity® VIP Growth Portfolio - Initial Class | 7,959 | 29,689 | 11,577 | 48,459 |
| Fidelity® VIP High Income Portfolio - Initial Class | 1,529 | 1,790 | 2,701 | 2,477 |
| Fidelity® VIP Overseas Portfolio - Initial Class | 12,038 | 11,131 | 16,564 | 10,870 |
| Fidelity® Variable Insurance Products II: | | | | |
| Fidelity® VIP Contrafund® Portfolio - Initial Class | 83,323 | 86,879 | 381,587 | 121,540 |
| Fidelity® VIP Index 500 Portfolio - Initial Class | 8,380 | 11,595 | 10,266 | 14,708 |
| Fidelity® Variable Insurance Products III: | | | | |
| Fidelity® VIP Mid Cap Portfolio - Initial Class | 4,930 | 711 | 4,555 | 398 |
| Fidelity® Variable Insurance Products V: | | | | |
| Fidelity® VIP Asset Manager SM Portfolio - Initial Class | 6,406 | 2,242 | 3,865 | 2,972 |
| Franklin Mutual Series Fund Inc.: | | | | |
| Mutual Discovery Fund - Class R | 1,015 | 541 | 1,026 | 88 |
| Franklin Strategic Series: | | | | |
| Franklin Small-Mid Cap Growth Fund - Class A | 167 | 256 | 319 | 53 |
| Franklin Templeton Variable Insurance Products Trust: | | | | |
| Franklin Small Cap Value Securities Fund - Class 2 | 21,785 | 11,910 | 27,561 | 14,852 |
| Fundamental Investors, Inc.: | | | | |
| Fundamental Investors, Inc. - Class R-3 | 13 | - | - | - |
| Fundamental Investors, Inc. - Class R-4 | 9,789 | 179 | - | - |
| The Growth Fund of America®, Inc.: | | | | |
| The Growth Fund of America® - Class R-3 | 3,608 | 749 | 5,091 | 583 |
| The Growth Fund of America® - Class R-4 | 51,599 | 9,231 | 58,943 | 12,793 |
| The Income Fund of America®, Inc.: | | | | |
| The Income Fund of America® - Class R-3 | 787 | 255 | 879 | 154 |
| ING Equity Trust: | | | | |
| ING Financial Services Fund - Class A | 44 | 15 | 98 | 8 |
| ING Real Estate Fund - Class A | 559 | 354 | 835 | 653 |
| ING Funds Trust: | | | | |
| ING GNMA Income Fund - Class A | 1,665 | 316 | 556 | 144 |
| ING Intermediate Bond Fund - Class A | 1,496 | 473 | 1,672 | 268 |
| ING Investors Trust: | | | | |
| ING AllianceBernstein Mid Cap Growth Portfolio - Service Class | 2,079 | 1,463 | 2,837 | 2,291 |
| ING BlackRock Large Cap Growth Portfolio - Institutional Class | 12,968 | 12,086 | 128,112 | 10,240 |
| ING BlackRock Large Cap Growth Portfolio - Service Class | 91 | - | 80 | 38 |
| ING BlackRock Large Cap Growth Portfolio - Service 2 Class | 65 | 54 | 156 | 7 |
| ING Evergreen Health Sciences Portfolio - Service Class | 4,792 | 1,090 | 3,207 | 1,604 |
| ING Evergreen Omega Portfolio - Service Class | 51 | 15 | - | - |
| ING FMR SM Diversified Mid Cap Portfolio - Service Class | 14,704 | 929 | 5,324 | 2,631 |
| ING Global Real Estate Portfolio - Institutional Class | 55,853 | 3,461 | - | - |

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ING LIFE INSURANCE AND ANNUITY COMPANY**
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| | Year ended December 31 | | | |
|----------------------------------------------------------------------|-------------------------------|--------|-----------|--------|
| | 2008 | | 2007 | |
| | Purchases | Sales | Purchases | Sales |
| | <i>(Dollars in thousands)</i> | | | |
| ING Investors Trust (continued): | | | | |
| ING Global Resources Portfolio - Institutional Class | \$ 7 | \$ 1 | \$ 40 | \$ - |
| ING Global Resources Portfolio - Service Class | 62,056 | 21,226 | 103,919 | 14,148 |
| ING Janus Contrarian Portfolio - Service Class | 9,329 | 546 | 4,603 | 5 |
| ING JPMorgan Emerging Markets Equity Portfolio - Adviser Class | 353 | 271 | 339 | 77 |
| ING JPMorgan Emerging Markets Equity Portfolio - Institutional Class | 8,100 | 9,806 | 15,257 | 11,397 |
| ING JPMorgan Emerging Markets Equity Portfolio - Service Class | 10,292 | 13,457 | 19,506 | 10,023 |
| ING JPMorgan Small Cap Core Equity Portfolio - Service Class | 1,471 | 730 | 1,933 | 870 |
| ING JPMorgan Value Opportunities Portfolio - Institutional Class | 31 | 45 | 163 | 109 |
| ING JPMorgan Value Opportunities Portfolio - Service Class | 851 | 703 | 1,971 | 758 |
| ING Julius Baer Foreign Portfolio - Service Class | 13,668 | 7,771 | 28,923 | 2,820 |
| ING Legg Mason Value Portfolio - Service Class | 2,060 | 2,385 | 3,263 | 1,942 |
| ING Lord Abbett Affiliated Portfolio - Institutional Class | 21,601 | 16,868 | 137,049 | 8,942 |
| ING Lord Abbett Affiliated Portfolio - Service Class | 418 | 51 | 581 | 34 |
| ING Marsico Growth Portfolio - Institutional Class | 9,787 | 1,675 | - | - |
| ING Marsico Growth Portfolio - Service Class | 1,626 | 5,168 | 2,277 | 1,123 |
| ING Marsico International Opportunities Portfolio - Adviser Class | 166 | 77 | 66 | - |
| ING Marsico International Opportunities Portfolio - Service Class | 5,157 | 3,756 | 6,755 | 2,546 |
| ING MFS Total Return Portfolio - Adviser Class | 346 | 175 | 629 | 91 |
| ING MFS Total Return Portfolio - Institutional Class | 12,205 | 15,394 | 85,667 | 5,587 |
| ING MFS Total Return Portfolio - Service Class | 6,317 | 6,069 | 7,005 | 8,503 |
| ING MFS Utilities Portfolio - Service Class | 14,547 | 6,817 | 27,746 | 7,695 |
| ING Oppenheimer Main Street Portfolio® - Service Class | 2,111 | 1,886 | 1,850 | 692 |
| ING PIMCO High Yield Portfolio - Institutional Class | 525 | 479 | 1,012 | 434 |
| ING PIMCO High Yield Portfolio - Service Class | 4,100 | 3,544 | 3,884 | 2,956 |
| ING Pioneer Equity Income Portfolio - Institutional Class | 21,573 | 15,558 | 170,710 | 8,950 |
| ING Pioneer Fund Portfolio - Institutional Class | 3,838 | 1,752 | 15,807 | 1,978 |
| ING Pioneer Fund Portfolio - Service Class | 68 | 15 | 109 | 23 |
| ING Pioneer Mid Cap Value Portfolio - Adviser Class | 8 | 5 | - | - |
| ING Pioneer Mid Cap Value Portfolio - Institutional Class | 16,615 | 9,295 | 104,569 | 5,929 |
| ING Pioneer Mid Cap Value Portfolio - Service Class | 273 | 11 | 11 | - |
| ING Stock Index Portfolio - Institutional Class | 746 | 468 | 647 | 718 |
| ING T. Rowe Price Capital Appreciation Portfolio - Service Class | 76,797 | 6,029 | 97,533 | 4,012 |
| ING T. Rowe Price Equity Income Portfolio - Adviser Class | 744 | 356 | 1,096 | 110 |
| ING T. Rowe Price Equity Income Portfolio - Service Class | 29,676 | 6,860 | 23,005 | 6,815 |
| ING Templeton Global Growth Portfolio - Institutional Class | 238 | 113 | 1,270 | 78 |
| ING Templeton Global Growth Portfolio - Service Class | 1,075 | 385 | 2,224 | 752 |
| ING Van Kampen Capital Growth Portfolio - Institutional Class | 739 | 186 | - | - |
| ING Van Kampen Capital Growth Portfolio - Service Class | 322 | 114 | 74 | 11 |
| ING Van Kampen Growth and Income Portfolio - Service Class | 7,260 | 3,708 | 7,730 | 5,017 |

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|------------------------------------------------------------------------|-------------------------------|---------|-----------|--------|
| | 2008 | | 2007 | |
| | Purchases | Sales | Purchases | Sales |
| | <i>(Dollars in thousands)</i> | | | |
| ING Investors Trust (continued): | | | | |
| ING Van Kampen Large Cap Growth Portfolio - Institutional Class | \$ 112 | \$ 244 | \$ 195 | \$ 219 |
| ING Van Kampen Large Cap Growth Portfolio - Service Class | - | - | - | - |
| ING Van Kampen Real Estate Portfolio - Institutional Class | 579 | 141 | 654 | 166 |
| ING Van Kampen Real Estate Portfolio - Service Class | 14,906 | 3,853 | 20,511 | 9,175 |
| ING VP Index Plus International Equity Portfolio - Institutional Class | 9,708 | 5,196 | 23,401 | 739 |
| ING VP Index Plus International Equity Portfolio - Service Class | 2,191 | 1,919 | 9,922 | 5,658 |
| ING Wells Fargo Disciplined Value Portfolio - Adviser Class | 6 | 8 | 3 | - |
| ING Wells Fargo Disciplined Value Portfolio - Service Class | 245 | 1,244 | 1,354 | 916 |
| ING Wells Fargo Small Cap Disciplined Portfolio - Service Class | 1,118 | 656 | 814 | 901 |
| ING Mutual Funds: | | | | |
| ING International Growth Opportunities Fund - Class Q | 4 | - | 5 | - |
| ING International SmallCap Multi-Manager Fund - Class A | 597 | 269 | 2,051 | 460 |
| ING Partners, Inc.: | | | | |
| ING American Century Large Company Value Portfolio - Adviser Class | 68 | - | 81 | - |
| ING American Century Large Company Value Portfolio - Service Class | 3,172 | 1,055 | 1,490 | 1,873 |
| ING American Century Small-Mid Cap Value Portfolio - Adviser Class | 96 | 64 | 43 | 20 |
| ING American Century Small-Mid Cap Value Portfolio - Service Class | 7,460 | 2,970 | 5,907 | 6,289 |
| ING Baron Asset Portfolio - Service Class | 1,012 | 620 | 3,527 | 722 |
| ING Baron Small Cap Growth Portfolio - Adviser Class | 278 | 172 | 272 | 82 |
| ING Baron Small Cap Growth Portfolio - Service Class | 15,624 | 9,389 | 21,285 | 9,634 |
| ING Columbia Small Cap Value II Portfolio - Service Class | 706 | 129 | 924 | 145 |
| ING Davis New York Venture Portfolio - Service Class | 3,980 | 1,471 | 3,154 | 1,617 |
| ING Fidelity® VIP Mid Cap Portfolio - Service Class | 7,228 | 366 | 3,867 | 16 |
| ING Index Solution 2015 Portfolio - Adviser Class | 37 | - | - | - |
| ING Index Solution 2025 Portfolio - Adviser Class | 80 | - | - | - |
| ING Index Solution 2035 Portfolio - Adviser Class | 50 | - | - | - |
| ING Index Solution 2045 Portfolio - Adviser Class | 6 | - | - | - |
| ING Index Solution Income Portfolio - Adviser Class | 1 | - | - | - |
| ING JPMorgan International Portfolio - Adviser Class | 171 | 236 | 277 | 105 |
| ING JPMorgan International Portfolio - Initial Class | 73,774 | 139,860 | 12,083 | 31,023 |
| ING JPMorgan International Portfolio - Service Class | 26 | 40 | 15 | 1 |
| ING JPMorgan Mid Cap Value Portfolio - Adviser Class | 222 | 206 | 412 | 90 |
| ING JPMorgan Mid Cap Value Portfolio - Service Class | 5,508 | 5,303 | 7,888 | 4,358 |
| ING Legg Mason Partners Aggressive Growth Portfolio - Adviser Class | 24 | 23 | 155 | 73 |
| ING Legg Mason Partners Aggressive Growth Portfolio - Initial Class | 1,877 | 20,540 | 2,952 | 43,831 |
| ING Legg Mason Partners Aggressive Growth Portfolio - Service Class | 105 | 6 | 26 | 18 |
| ING Legg Mason Partners Large Cap Growth Portfolio - Adviser Class | 11 | 139 | 166 | 56 |

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| | Year ended December 31 | | | |
|------------------------------------------------------------------------|-------------------------------|----------|-----------|----------|
| | 2008 | | 2007 | |
| | Purchases | Sales | Purchases | Sales |
| | <i>(Dollars in thousands)</i> | | | |
| ING Partners, Inc. (continued): | | | | |
| ING Legg Mason Partners Large Cap Growth Portfolio - Initial Class | \$ 771 | \$ 3,534 | \$ 687 | \$ 1,133 |
| ING Neuberger Berman Partners Portfolio - Service Class | 2,501 | 802 | 3,601 | 1,492 |
| ING Neuberger Berman Regency Portfolio - Service Class | 4 | 65 | 64 | - |
| ING OpCap Balanced Value Portfolio - Service Class | 3,211 | 8,000 | 2,475 | 3,110 |
| ING Oppenheimer Global Portfolio - Adviser Class | 219 | 135 | 360 | 86 |
| ING Oppenheimer Global Portfolio - Initial Class | 71,401 | 115,339 | 55,048 | 149,707 |
| ING Oppenheimer Global Portfolio - Service Class | 168 | 137 | 318 | 53 |
| ING Oppenheimer Strategic Income Portfolio - Adviser Class | 323 | 260 | 192 | 49 |
| ING Oppenheimer Strategic Income Portfolio - Initial Class | 27,530 | 15,665 | 26,922 | 18,515 |
| ING Oppenheimer Strategic Income Portfolio - Service Class | 317 | 3,908 | 3,849 | 20 |
| ING PIMCO Total Return Portfolio - Adviser Class | 878 | 491 | 409 | 151 |
| ING PIMCO Total Return Portfolio - Service Class | 49,759 | 20,018 | 24,623 | 8,657 |
| ING Pioneer High Yield Portfolio - Initial Class | 2,788 | 1,810 | 5,895 | 1,624 |
| ING Pioneer High Yield Portfolio - Service Class | 36 | 8 | 93 | 1 |
| ING Solution 2015 Portfolio - Adviser Class | 6,088 | 1,242 | 7,188 | 480 |
| ING Solution 2015 Portfolio - Service Class | 13,824 | 5,036 | 19,648 | 5,245 |
| ING Solution 2025 Portfolio - Adviser Class | 7,199 | 1,100 | 8,121 | 621 |
| ING Solution 2025 Portfolio - Service Class | 21,652 | 4,941 | 24,006 | 3,374 |
| ING Solution 2035 Portfolio - Adviser Class | 6,053 | 570 | 6,338 | 500 |
| ING Solution 2035 Portfolio - Service Class | 17,035 | 2,269 | 17,108 | 2,183 |
| ING Solution 2045 Portfolio - Adviser Class | 3,343 | 645 | 5,897 | 382 |
| ING Solution 2045 Portfolio - Service Class | 11,939 | 1,802 | 10,977 | 1,571 |
| ING Solution Growth and Income Portfolio - Service Class | 908 | 250 | - | - |
| ING Solution Growth Portfolio - Service Class | 443 | 210 | - | - |
| ING Solution Income Portfolio - Adviser Class | 3,604 | 986 | 5,998 | 473 |
| ING Solution Income Portfolio - Service Class | 4,348 | 3,037 | 6,004 | 1,547 |
| ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Adviser Class | 193 | 104 | 506 | 174 |
| ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Initial Class | 57,324 | 37,143 | 41,586 | 65,054 |
| ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Service Class | 152 | 113 | 173 | 98 |
| ING T. Rowe Price Growth Equity Portfolio - Adviser Class | 705 | 490 | 1,180 | 158 |
| ING T. Rowe Price Growth Equity Portfolio - Initial Class | 23,639 | 29,782 | 22,362 | 41,447 |
| ING T. Rowe Price Growth Equity Portfolio - Service Class | 688 | 129 | 429 | 101 |
| ING Templeton Foreign Equity Portfolio - Adviser Class | 273 | 38 | - | - |
| ING Templeton Foreign Equity Portfolio - Initial Class | 140,891 | 13,745 | - | - |
| ING Templeton Foreign Equity Portfolio - Service Class | 2,081 | 7,239 | 5,590 | 670 |
| ING Thornburg Value Portfolio - Adviser Class | 67 | 81 | 529 | 47 |
| ING Thornburg Value Portfolio - Initial Class | 3,720 | 12,256 | 8,843 | 20,359 |
| ING UBS U.S. Large Cap Equity Portfolio - Adviser Class | 54 | - | 18 | 5 |
| ING UBS U.S. Large Cap Equity Portfolio - Initial Class | 4,316 | 18,834 | 11,253 | 20,951 |

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| | Year ended December 31 | | | |
|--------------------------------------------------------------------|-------------------------------|---------|-----------|---------|
| | 2008 | | 2007 | |
| | Purchases | Sales | Purchases | Sales |
| | <i>(Dollars in thousands)</i> | | | |
| ING Partners, Inc. (continued): | | | | |
| ING UBS U.S. Large Cap Equity Portfolio - Service Class | \$ 3 | \$ - | \$ 4 | \$ - |
| ING UBS U.S. Small Cap Growth Portfolio - Service Class | 195 | 735 | 1,398 | 775 |
| ING Van Kampen Comstock Portfolio - Adviser Class | 217 | 230 | 432 | 168 |
| ING Van Kampen Comstock Portfolio - Service Class | 9,513 | 17,225 | 9,397 | 20,557 |
| ING Van Kampen Equity and Income Portfolio - Adviser Class | 352 | 92 | 213 | 28 |
| ING Van Kampen Equity and Income Portfolio - Initial Class | 36,380 | 45,544 | 27,797 | 76,265 |
| ING Van Kampen Equity and Income Portfolio - Service Class | 85 | 50 | 144 | 39 |
| ING Strategic Allocation Portfolios, Inc.: | | | | |
| ING VP Strategic Allocation Conservative Portfolio - Class I | 8,346 | 7,613 | 8,033 | 9,917 |
| ING VP Strategic Allocation Growth Portfolio - Class I | 16,895 | 12,408 | 12,867 | 14,719 |
| ING VP Strategic Allocation Moderate Portfolio - Class I | 15,058 | 11,023 | 12,224 | 21,441 |
| ING Variable Funds: | | | | |
| ING VP Growth and Income Portfolio - Class A | 747 | 340 | 159 | - |
| ING VP Growth and Income Portfolio - Class I | 24,117 | 227,614 | 28,873 | 321,954 |
| ING VP Growth and Income Portfolio - Class S | 412 | 35 | 101 | - |
| ING Variable Insurance Trust: | | | | |
| ING GET U.S. Core Portfolio - Series 1 | 114 | 884 | 42 | 117 |
| ING GET U.S. Core Portfolio - Series 2 | 545 | 5,468 | 248 | 2,211 |
| ING GET U.S. Core Portfolio - Series 3 | 1,514 | 4,867 | 687 | 5,992 |
| ING GET U.S. Core Portfolio - Series 5 | 100 | 133 | 42 | 41 |
| ING GET U.S. Core Portfolio - Series 6 | 447 | 512 | 248 | 1,116 |
| ING GET U.S. Core Portfolio - Series 7 | 478 | 358 | 165 | 1,138 |
| ING GET U.S. Core Portfolio - Series 8 | 176 | 134 | 70 | 574 |
| ING GET U.S. Core Portfolio - Series 9 | 36 | 14 | 9 | 10 |
| ING GET U.S. Core Portfolio - Series 10 | 15 | 3 | 3 | 3 |
| ING GET U.S. Core Portfolio - Series 11 | 7 | 15 | 2 | 1 |
| ING Variable Portfolios, Inc.: | | | | |
| ING BlackRock Global Science and Technology Portfolio - Class I | 6,451 | 9,988 | 8,100 | 9,303 |
| ING International Index Portfolio - Class I | 436 | 158 | - | - |
| ING Lehman Brothers U.S. Aggregate Bond Index® Portfolio - Class I | 2,310 | 783 | - | - |
| ING Opportunistic Large Cap Growth Portfolio - Class I | 2,644 | 8,345 | 5,125 | 20,750 |
| ING Opportunistic Large Cap Value Portfolio - Class I | 13,379 | 13,020 | 4,163 | 20,299 |
| ING Russell™ Large Cap Index Portfolio - Class I | 2,937 | 158 | - | - |
| ING Russell™ Mid Cap Index Portfolio - Class I | 1,810 | 396 | - | - |
| ING Russell™ Small Cap Index Portfolio - Class I | 1,010 | 181 | - | - |
| ING VP Index Plus LargeCap Portfolio - Class I | 38,938 | 66,777 | 12,536 | 102,559 |
| ING VP Index Plus LargeCap Portfolio - Class S | 312 | 136 | 422 | 93 |
| ING VP Index Plus MidCap Portfolio - Class I | 54,014 | 46,260 | 47,272 | 77,318 |
| ING VP Index Plus MidCap Portfolio - Class S | 241 | 127 | 330 | 16 |
| ING VP Index Plus SmallCap Portfolio - Class I | 15,010 | 25,686 | 25,665 | 35,541 |
| ING VP Index Plus SmallCap Portfolio - Class S | 31 | 41 | 59 | 8 |
| ING VP Small Company Portfolio - Class I | 26,182 | 18,555 | 29,223 | 49,543 |
| ING VP Small Company Portfolio - Class S | 127 | 53 | 88 | 9 |

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| | 2008 | | 2007 | |
| | Purchases | Sales | Purchases | Sales |
| | <i>(Dollars in thousands)</i> | | | |
| ING Variable Products Trust: | | | | |
| ING VP Financial Services Portfolio - Class I | \$ 3,987 | \$ 5,788 | \$ 2,044 | \$ 2,574 |
| ING VP International Value Portfolio - Class I | 37,177 | 19,325 | 60,974 | 18,020 |
| ING VP International Value Portfolio - Class S | 331 | 258 | 482 | 32 |
| ING VP MidCap Opportunities Portfolio - Class I | 5,673 | 1,822 | 3,877 | 1,856 |
| ING VP MidCap Opportunities Portfolio - Class S | 198 | 94 | 61 | - |
| ING VP Real Estate Portfolio - Class I | 19,719 | 60,336 | 14,159 | 36,026 |
| ING VP SmallCap Opportunities Portfolio - Class I | 4,958 | 2,360 | 3,302 | 2,530 |
| ING VP SmallCap Opportunities Portfolio - Class S | 117 | 55 | 16 | 9 |
| ING VP Balanced Portfolio, Inc.: | | | | |
| ING VP Balanced Portfolio - Class I | 61,094 | 83,578 | 45,746 | 99,520 |
| ING VP Intermediate Bond Portfolio: | | | | |
| ING VP Intermediate Bond Portfolio - Class I | 53,907 | 58,206 | 52,355 | 39,876 |
| ING VP Intermediate Bond Portfolio - Class S | 199 | 195 | 395 | 159 |
| ING VP Money Market Portfolio: | | | | |
| ING VP Money Market Portfolio - Class I | 198,085 | 164,200 | 244,213 | 93,643 |
| Janus Adviser Series: | | | | |
| Janus Adviser Balanced Fund - Class S | - | 1 | - | - |
| Janus Aspen Series: | | | | |
| Janus Aspen Series Balanced Portfolio - Institutional Shares | 67 | 123 | 130 | 186 |
| Janus Aspen Series Flexible Bond Portfolio - Institutional Shares | 17 | 19 | 39 | 56 |
| Janus Aspen Series Large Cap Growth Portfolio - Institutional Shares | 61 | 81 | 45 | 63 |
| Janus Aspen Series Mid Cap Growth Portfolio - Institutional Shares | 118 | 152 | 202 | 272 |
| Janus Aspen Series Worldwide Growth Portfolio - Institutional Shares | 194 | 227 | 55 | 121 |
| The Lazard Funds, Inc.: | | | | |
| Lazard U.S. Mid Cap Equity Portfolio - Open Shares | 351 | 79 | 568 | 166 |
| LKCM Funds: | | | | |
| LKCM Aquinas Growth Fund | 75 | 9 | 59 | 17 |
| Loomis Sayles Funds I: | | | | |
| Loomis Sayles Small Cap Value Fund - Retail Class | 878 | 20 | - | - |
| Lord Abbett Affiliated Fund, Inc.: | | | | |
| Lord Abbett Mid-Cap Value Fund, Inc. - Class A | 292 | 249 | 507 | 105 |
| Lord Abbett Research Fund, Inc.: | | | | |
| Lord Abbett Small-Cap Value Fund - Class A | 300 | 352 | 453 | 88 |
| Lord Abbett Series Fund, Inc.: | | | | |
| Lord Abbett Series Fund - Mid-Cap Value Portfolio - Class VC | 9,774 | 21,917 | 31,337 | 22,353 |
| Massachusetts Investors Growth Stock Fund: | | | | |
| Massachusetts Investors Growth Stock Fund - Class A | 163 | 293 | 103 | 31 |
| Moderate Allocation Portfolio: | | | | |
| Moderate Allocation Portfolio | 9 | 33 | 16 | 15 |
| Morgan Stanley Institutional Fund Trust: | | | | |
| Morgan Stanley U.S. Small Cap Value Portfolio - Class I | 1,439 | 340 | - | - |

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| | 2008 | | 2007 | |
| | Purchases | Sales | Purchases | Sales |
| | <i>(Dollars in thousands)</i> | | | |
| Neuberger Berman Equity Funds®: | | | | |
| Neuberger Berman Socially Responsive Fund® - Trust Class | \$ 1,656 | \$ 372 | \$ 1,641 | \$ 157 |
| New Perspective Fund®, Inc.: | | | | |
| New Perspective Fund®, Inc. - Class R-3 | 1,158 | 687 | 3,430 | 854 |
| New Perspective Fund®, Inc. - Class R-4 | 25,476 | 3,823 | 15,273 | 3,416 |
| Oppenheimer Capital Appreciation Fund: | | | | |
| Oppenheimer Capital Appreciation Fund - Class A | 169 | 113 | 156 | 23 |
| Oppenheimer Developing Markets Fund: | | | | |
| Oppenheimer Developing Markets Fund - Class A | 59,067 | 27,303 | 69,785 | 30,746 |
| Oppenheimer Variable Account Funds: | | | | |
| Oppenheimer Global Securities/VA | 107 | 209 | 118 | 308 |
| Oppenheimer Main Street Fund®/VA | 8 | 10 | 1 | 14 |
| Oppenheimer Main Street Small Cap Fund®/VA | 1,591 | 813 | 3,380 | 705 |
| Oppenheimer MidCap Fund/VA | - | 3 | 31 | 1 |
| Oppenheimer Strategic Bond Fund/VA | 11 | 6 | 42 | 52 |
| Pax World Funds Series Trust I: | | | | |
| Pax World Balanced Fund | 12,104 | 5,484 | 13,279 | 5,386 |
| PIMCO Variable Insurance Trust: | | | | |
| PIMCO Real Return Portfolio - Administrative Class | 53,532 | 10,821 | 14,258 | 7,200 |
| Pioneer High Yield Fund: | | | | |
| Pioneer High Yield Fund - Class A | 1,074 | 238 | 1,856 | 186 |
| Pioneer Variable Contracts Trust: | | | | |
| Pioneer Emerging Markets VCT Portfolio - Class I | 14,277 | 10,479 | 30,868 | 3,364 |
| Pioneer Equity Income VCT Portfolio - Class I | 320 | 1,310 | 48,713 | 162,589 |
| Pioneer High Yield VCT Portfolio - Class I | 4,106 | 3,519 | 8,380 | 1,266 |
| Pioneer Mid Cap Value VCT Portfolio - Class I | 166 | 582 | 17,135 | 94,326 |
| Premier VIT: | | | | |
| Premier VIT OpCap Mid Cap Portfolio | 3,765 | 413 | 477 | 76 |
| RiverSource Investment Series, Inc.: | | | | |
| RiverSource Diversified Equity Income Fund - Class R-4 | 1,830 | 97 | - | - |
| SmallCap World Fund, Inc.: | | | | |
| SMALLCAP World Fund® - Class R-4 | 765 | 104 | - | - |
| T. Rowe Price Mid-Cap Value Fund, Inc.: | | | | |
| T. Rowe Price Mid-Cap Value Fund - R Class | 177 | 84 | 350 | 240 |
| T. Rowe Price Value Fund, Inc.: | | | | |
| T. Rowe Price Value Fund - Advisor Class | 14 | 3 | 36 | 1 |
| Templeton Funds, Inc.: | | | | |
| Templeton Foreign Fund - Class A | 420 | 331 | 786 | 120 |
| Templeton Income Trust: | | | | |
| Templeton Global Bond Fund - Class A | 50,189 | 8,888 | 40,658 | 2,314 |
| Vanguard® Variable Insurance Fund: | | | | |
| Diversified Value Portfolio | 25 | 7 | 20 | 5 |
| Equity Income Portfolio | 94 | 108 | 104 | 22 |
| Small Company Growth Portfolio | 26 | 1 | 73 | 2 |

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| | 2008 | | 2007 | |
| | Purchases | Sales | Purchases | Sales |
| | <i>(Dollars in thousands)</i> | | | |
| Wanger Advisors Trust: | | | | |
| Wanger International | \$ 7,705 | \$ 3,515 | \$ 10,636 | \$ 895 |
| Wanger Select | 11,319 | 7,280 | 42,066 | 2,690 |
| Wanger USA | 6,380 | 1,897 | 6,892 | 2,409 |
| Washington Mutual Investors Fund SM , Inc.: | | | | |
| Washington Mutual Investors Fund SM , Inc. - Class R-3 | 1,406 | 682 | 2,109 | 527 |
| Washington Mutual Investors Fund SM , Inc. - Class R-4 | 12,794 | 9,546 | 18,491 | 12,342 |
| Wells Fargo Funds Trust: | | | | |
| Wells Fargo Advantage Small Cap Value Fund - Class A | 38 | 7 | 33 | 1 |

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Notes to Financial Statements

8. Changes in Units

The changes in units outstanding were as follows:

| | Year Ended December 31, | | | | | |
|----------------------------------------------------------|-------------------------|-------------------|----------------------------|-----------------|-------------------|----------------------------|
| | 2008 | | | 2007 | | |
| | Units Issued | Units Redeemed | Net Increase (Decrease) | Units Issued | Units Redeemed | Net Increase (Decrease) |
| AIM Growth Series: | | | | | | |
| AIM Mid Cap Core Equity Fund - Class A | 12,951 | 9,343 | 3,608 | 5,723 | 4,719 | 1,004 |
| AIM Small Cap Growth Fund - Class A | 1,137 | 1,179 | (42) | 4,109 | 3,068 | 1,041 |
| AIM Investment Funds: | | | | | | |
| AIM Global Health Care Fund - Investor Class | 3,002 | 2,200 | 802 | 3,197 | 2,664 | 533 |
| AIM Variable Insurance Funds: | | | | | | |
| AIM V.I. Capital Appreciation Fund - Series I Shares | 760,617 | 941,265 | (180,648) | 577,438 | 858,308 | (280,870) |
| AIM V.I. Core Equity Fund - Series I Shares | 1,270,407 | 1,486,860 | (216,453) | 835,408 | 1,304,710 | (469,302) |
| AllianceBernstein Growth and Income Fund, Inc.: | | | | | | |
| AllianceBernstein Growth and Income Fund, Inc. - Class A | 24,695 | 15,092 | 9,603 | 8,476 | 4,643 | 3,833 |
| AllianceBernstein Variable Products Series Fund, Inc.: | | | | | | |
| AllianceBernstein Growth and Income Portfolio - Class A | 9,648 | 10,558 | (910) | 23,704 | 18,988 | 4,716 |
| Allianz Funds: | | | | | | |
| Allianz NFJ Large-Cap Value Fund - Institutional Class | 148,552 | 54,015 | 94,537 | - | - | - |
| Allianz NFJ Small-Cap Value Fund - Class A | 10,657 | 10,196 | 461 | 6,745 | 9,594 | (2,849) |
| Amana Mutual Funds Trust: | | | | | | |
| Amana Growth Fund | 4,930 | 1 | 4,929 | - | - | - |
| Amana Income Fund | 5,711 | (2) | 5,713 | - | - | - |
| American Balanced Fund®, Inc.: | | | | | | |
| American Balanced Fund® - Class R-3 | 200,602 | 267,883 | (67,281) | 408,249 | 323,605 | 84,644 |
| American Century Quantitative Equity Funds, Inc.: | | | | | | |
| American Century Income & Growth Fund - A Class | 216,423 | 203,459 | 12,964 | 107,985 | 132,017 | (24,032) |
| Ariel Investment Trust: | | | | | | |
| Ariel Appreciation Fund | 45,372 | 37,472 | 7,900 | 42,982 | 45,961 | (2,979) |
| Ariel Fund | 65,680 | 32,658 | 33,022 | 63,431 | 47,774 | 15,657 |
| Artisan Funds, Inc.: | | | | | | |
| Artisan International Fund - Investor Shares | 278,603 | 221,622 | 56,981 | - | - | - |

**VARIABLE ANNUITY ACCOUNT C OF
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Notes to Financial Statements

| | Year Ended December 31, | | | | | |
|---------------------------------------------------------------------|-------------------------|-------------------|----------------------------|-----------------|-------------------|----------------------------|
| | 2008 | | | 2007 | | |
| | Units Issued | Units Redeemed | Net Increase (Decrease) | Units Issued | Units Redeemed | Net Increase (Decrease) |
| The Bond Fund of America SM , Inc.: | | | | | | |
| The Bond Fund of America SM , Inc. - Class R-4 | 339,680 | 118,152 | 221,528 | - | - | - |
| Calvert Variable Series, Inc.: | | | | | | |
| Calvert Social Balanced Portfolio | 511,652 | 762,918 | (251,266) | 423,920 | 730,452 | (306,532) |
| Capital One Funds: | | | | | | |
| Capital One Mid Cap Equity Fund - Class A | 3,602 | 9,979 | (6,377) | 7,626 | 8,398 | (772) |
| Columbia Acorn Trust: | | | | | | |
| Columbia SM Acorn Fund® - Class Z | 147,291 | 20,951 | 126,340 | - | - | - |
| Columbia Funds Series Trust: | | | | | | |
| Columbia Mid Cap Value Fund - Class A | 269,870 | 11,555 | 258,315 | - | - | - |
| Columbia Mid Cap Value Fund - Class Z | 101,124 | 9,742 | 91,382 | - | - | - |
| DWS Institutional Funds: | | | | | | |
| DWS Equity 500 Index Fund - Class S | 4,775 | 2,013 | 2,762 | 4,945 | 1,450 | 3,495 |
| EuroPacific Growth Fund®: | | | | | | |
| EuroPacific Growth Fund® - Class R-3 | 370,363 | 233,872 | 136,491 | 399,141 | 138,712 | 260,429 |
| EuroPacific Growth Fund® - Class R-4 | 7,070,003 | 4,356,252 | 2,713,751 | 4,956,896 | 2,492,904 | 2,463,992 |
| Evergreen Equity Trust: | | | | | | |
| Evergreen Special Values Fund - Class A | 1,324,898 | 1,444,352 | (119,454) | 1,076,997 | 1,147,297 | (70,300) |
| Fidelity® Variable Insurance Products: | | | | | | |
| Fidelity® VIP Equity-Income Portfolio - Initial Class | 4,189,021 | 5,987,003 | (1,797,982) | 3,744,191 | 4,876,313 | (1,132,122) |
| Fidelity® VIP Growth Portfolio - Initial Class | 3,977,068 | 4,725,593 | (748,525) | 2,927,325 | 4,827,239 | (1,899,914) |
| Fidelity® VIP High Income Portfolio - Initial Class | 223,272 | 301,391 | (78,119) | 220,235 | 252,226 | (31,991) |
| Fidelity® VIP Overseas Portfolio - Initial Class | 1,109,004 | 1,385,792 | (276,788) | 1,073,246 | 1,017,479 | 55,767 |
| Fidelity® Variable Insurance Products II: | | | | | | |
| Fidelity® VIP Contrafund® Portfolio - Initial Class | 12,028,758 | 12,280,285 | (251,527) | 8,807,157 | 9,668,894 | (861,737) |
| Fidelity® VIP Index 500 Portfolio - Initial Class | 671,547 | 885,397 | (213,850) | 245,462 | 513,380 | (267,918) |
| Fidelity® Variable Insurance Products III: | | | | | | |
| Fidelity® VIP Mid Cap Portfolio - Initial Class | 350,921 | 121,379 | 229,542 | 289,297 | 29,672 | 259,625 |
| Fidelity® Variable Insurance Products V: | | | | | | |
| Fidelity® VIP Asset Manager SM Portfolio - Initial Class | 280,484 | 201,562 | 78,922 | 111,148 | 142,968 | (31,820) |

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|---------------------------------------------------------------------|-------------------------|-------------------|----------------------------|-----------------|-------------------|----------------------------|
| | 2008 | | | 2007 | | |
| | Units Issued | Units Redeemed | Net Increase (Decrease) | Units Issued | Units Redeemed | Net Increase (Decrease) |
| Franklin Mutual Series Fund Inc.: | | | | | | |
| Mutual Discovery Fund - Class R | 111,234 | 88,706 | 22,528 | 94,824 | 46,401 | 48,423 |
| Franklin Strategic Series: | | | | | | |
| Franklin Small-Mid Cap Growth Fund - Class A | 53,946 | 59,363 | (5,417) | 19,230 | 8,325 | 10,905 |
| Franklin Templeton Variable Insurance Products Trust: | | | | | | |
| Franklin Small Cap Value Securities Fund - Class 2 | 2,386,371 | 2,172,012 | 214,359 | 1,982,307 | 1,646,525 | 335,782 |
| Fundamental Investors, Inc.: | | | | | | |
| Fundamental Investors, Inc. - Class R-3 | 2,188 | - | 2,188 | - | - | - |
| Fundamental Investors, Inc. - Class R-4 | 1,469,391 | 114,820 | 1,354,571 | - | - | - |
| The Growth Fund of America®, Inc.: | | | | | | |
| The Growth Fund of America® - Class R-3 | 617,227 | 383,947 | 233,280 | 583,448 | 318,903 | 264,545 |
| The Growth Fund of America® - Class R-4 | 8,883,524 | 5,402,023 | 3,481,501 | 5,779,822 | 3,553,075 | 2,226,747 |
| The Income Fund of America®, Inc.: | | | | | | |
| The Income Fund of America® - Class R-3 | 141,162 | 103,420 | 37,742 | 86,768 | 42,949 | 43,819 |
| ING Equity Trust: | | | | | | |
| ING Financial Services Fund - Class A | 11,805 | 8,585 | 3,220 | 12,431 | 6,876 | 5,555 |
| ING Real Estate Fund - Class A | 68,114 | 56,725 | 11,389 | 94,357 | 97,354 | (2,997) |
| ING Funds Trust: | | | | | | |
| ING GNMA Income Fund - Class A | 172,356 | 59,936 | 112,420 | 104,192 | 70,034 | 34,158 |
| ING Intermediate Bond Fund - Class A | 224,313 | 151,391 | 72,922 | 221,053 | 102,722 | 118,331 |
| ING Investors Trust: | | | | | | |
| ING AllianceBernstein Mid Cap Growth Portfolio - Service Class | 224,325 | 229,040 | (4,715) | 249,477 | 228,989 | 20,488 |
| ING BlackRock Large Cap Growth Portfolio - Institutional Class | 2,087,443 | 3,158,777 | (1,071,334) | 12,563,326 | 1,437,420 | 11,125,906 |
| ING BlackRock Large Cap Growth Portfolio - Service Class | 10,015 | 1,831 | 8,184 | 6,613 | 3,017 | 3,596 |
| ING BlackRock Large Cap Growth Portfolio - Service 2 Class | 5,376 | 7,011 | (1,635) | 14,800 | 710 | 14,090 |
| ING Evergreen Health Sciences Portfolio - Service Class | 666,860 | 377,032 | 289,828 | 362,287 | 253,753 | 108,534 |
| ING Evergreen Omega Portfolio - Service Class | 5,436 | 1,664 | 3,772 | 19 | - | 19 |
| ING FMR SM Diversified Mid Cap Portfolio - Service Class | 1,618,664 | 541,459 | 1,077,205 | 648,072 | 455,939 | 192,133 |
| ING Global Real Estate Portfolio - Institutional Class | 6,215,671 | 854,577 | 5,361,094 | - | - | - |
| ING Global Resources Portfolio - Institutional Class | - | 112 | (112) | 3,163 | - | 3,163 |

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| | Year Ended December 31, | | | | | |
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| | 2008 | | | 2007 | | |
| | Units Issued | Units Redeemed | Net Increase (Decrease) | Units Issued | Units Redeemed | Net Increase (Decrease) |
| ING Investors Trust (continued): | | | | | | |
| ING Global Resources Portfolio - Service Class | 6,214,891 | 4,986,705 | 1,228,186 | 10,819,849 | 2,723,054 | 8,096,795 |
| ING Janus Contrarian Portfolio - Service Class | 1,062,516 | 180,583 | 881,933 | 403,338 | 297 | 403,041 |
| ING JPMorgan Emerging Markets Equity Portfolio - Adviser Class | 19,443 | 20,120 | (677) | 18,637 | 4,302 | 14,335 |
| ING JPMorgan Emerging Markets Equity Portfolio - Institutional Class | 718,580 | 988,140 | (269,560) | 910,736 | 733,949 | 176,787 |
| ING JPMorgan Emerging Markets Equity Portfolio - Service Class | 991,706 | 1,276,669 | (284,963) | 1,435,605 | 992,766 | 442,839 |
| ING JPMorgan Small Cap Core Equity Portfolio - Service Class | 158,631 | 111,732 | 46,899 | 165,576 | 97,612 | 67,964 |
| ING JPMorgan Value Opportunities Portfolio - Institutional Class | 2,533 | 4,854 | (2,321) | 13,215 | 9,003 | 4,212 |
| ING JPMorgan Value Opportunities Portfolio - Service Class | 129,333 | 125,480 | 3,853 | 190,319 | 96,855 | 93,464 |
| ING Julius Baer Foreign Portfolio - Service Class | 1,378,474 | 1,379,620 | (1,146) | 1,936,596 | 667,158 | 1,269,438 |
| ING Legg Mason Value Portfolio - Service Class | 270,131 | 368,522 | (98,391) | 331,690 | 223,908 | 107,782 |
| ING Lord Abbett Affiliated Portfolio - Institutional Class | 3,326,566 | 4,734,056 | (1,407,490) | 13,555,753 | 1,854,866 | 11,700,887 |
| ING Lord Abbett Affiliated Portfolio - Service Class | 31,055 | 5,349 | 25,706 | 48,981 | 2,795 | 46,186 |
| ING Marsico Growth Portfolio - Institutional Class | 1,046,857 | 249,585 | 797,272 | - | - | - |
| ING Marsico Growth Portfolio - Service Class | 130,652 | 417,523 | (286,871) | 244,311 | 151,526 | 92,785 |
| ING Marsico International Opportunities Portfolio - Adviser Class | 16,659 | 10,866 | 5,793 | 5,652 | 1 | 5,651 |
| ING Marsico International Opportunities Portfolio - Service Class | 512,497 | 495,535 | 16,962 | 489,162 | 279,587 | 209,575 |
| ING MFS Total Return Portfolio - Adviser Class | 25,026 | 18,372 | 6,654 | 52,240 | 7,557 | 44,683 |
| ING MFS Total Return Portfolio - Institutional Class | 882,143 | 2,148,919 | (1,266,776) | 7,808,929 | 543,137 | 7,265,792 |
| ING MFS Total Return Portfolio - Service Class | 561,070 | 858,965 | (297,895) | 652,101 | 913,221 | (261,120) |
| ING MFS Utilities Portfolio - Service Class | 1,283,623 | 1,137,644 | 145,979 | 2,164,991 | 1,033,978 | 1,131,013 |
| ING Oppenheimer Main Street Portfolio® - Service Class | 243,625 | 226,131 | 17,494 | 167,768 | 75,288 | 92,480 |
| ING PIMCO High Yield Portfolio - Institutional Class | 54,117 | 54,831 | (714) | 92,474 | 41,737 | 50,737 |
| ING PIMCO High Yield Portfolio - Service Class | 629,697 | 621,427 | 8,270 | 401,342 | 352,696 | 48,646 |
| ING Pioneer Equity Income Portfolio - Institutional Class | 7,008,917 | 6,546,358 | 462,559 | 19,629,191 | 2,532,801 | 17,096,390 |
| ING Pioneer Fund Portfolio - Institutional Class | 621,653 | 497,276 | 124,377 | 1,663,331 | 441,239 | 1,222,092 |
| ING Pioneer Fund Portfolio - Service Class | 6,830 | 1,746 | 5,084 | 9,573 | 2,005 | 7,568 |
| ING Pioneer Mid Cap Value Portfolio - Adviser Class | 783 | 538 | 245 | - | - | - |
| ING Pioneer Mid Cap Value Portfolio - Institutional Class | 3,061,080 | 2,929,679 | 131,401 | 10,041,374 | 1,387,993 | 8,653,381 |
| ING Pioneer Mid Cap Value Portfolio - Service Class | 32,563 | 6,477 | 26,086 | 884 | - | 884 |

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|------------------------------------------------------------------------|-------------------------|-------------------|----------------------------|-----------------|-------------------|----------------------------|
| | 2008 | | | 2007 | | |
| | Units Issued | Units Redeemed | Net Increase (Decrease) | Units Issued | Units Redeemed | Net Increase (Decrease) |
| ING Investors Trust (continued): | | | | | | |
| ING Stock Index Portfolio - Institutional Class | 120,017 | 107,094 | 12,923 | 278,329 | 295,247 | (16,918) |
| ING T. Rowe Price Capital Appreciation Portfolio - Service Class | 8,908,597 | 4,875,658 | 4,032,939 | 8,366,631 | 2,223,481 | 6,143,150 |
| ING T. Rowe Price Equity Income Portfolio - Adviser Class | 56,069 | 32,855 | 23,214 | 83,760 | 8,523 | 75,237 |
| ING T. Rowe Price Equity Income Portfolio - Service Class | 2,197,549 | 1,355,572 | 841,977 | 1,675,199 | 997,623 | 677,576 |
| ING Templeton Global Growth Portfolio - Institutional Class | 23,828 | 17,294 | 6,534 | 85,161 | 14,585 | 70,576 |
| ING Templeton Global Growth Portfolio - Service Class | 182,066 | 119,496 | 62,570 | 242,420 | 118,130 | 124,290 |
| ING Van Kampen Capital Growth Portfolio - Institutional Class | 96,631 | 30,549 | 66,082 | - | - | - |
| ING Van Kampen Capital Growth Portfolio - Service Class | 31,601 | 16,949 | 14,652 | 6,001 | 889 | 5,112 |
| ING Van Kampen Growth and Income Portfolio - Service Class | 877,614 | 703,133 | 174,481 | 717,617 | 616,921 | 100,696 |
| ING Van Kampen Large Cap Growth Portfolio - Institutional Class | 40,551 | 54,525 | (13,974) | 20,322 | 22,750 | (2,428) |
| ING Van Kampen Large Cap Growth Portfolio - Service Class | 6 | 16 | (10) | 10 | - | 10 |
| ING Van Kampen Real Estate Portfolio - Institutional Class | 45,440 | 21,480 | 23,960 | 45,648 | 13,254 | 32,394 |
| ING Van Kampen Real Estate Portfolio - Service Class | 1,923,211 | 1,175,859 | 747,352 | 2,206,811 | 1,507,215 | 699,596 |
| ING VP Index Plus International Equity Portfolio - Institutional Class | 752,324 | 940,171 | (187,847) | 2,247,490 | 107,202 | 2,140,288 |
| ING VP Index Plus International Equity Portfolio - Service Class | 158,852 | 317,248 | (158,396) | 1,012,580 | 632,793 | 379,787 |
| ING Wells Fargo Disciplined Value Portfolio - Adviser Class | 640 | 933 | (293) | 293 | - | 293 |
| ING Wells Fargo Disciplined Value Portfolio - Service Class | 29,760 | 138,803 | (109,043) | 134,502 | 96,560 | 37,942 |
| ING Wells Fargo Small Cap Disciplined Portfolio - Service Class | 147,427 | 107,822 | 39,605 | 90,288 | 96,877 | (6,589) |
| ING Mutual Funds: | | | | | | |
| ING International Growth Opportunities Fund - Class Q | 251 | - | 251 | 786 | 587 | 199 |
| ING International SmallCap Multi-Manager Fund - Class A | 56,840 | 36,689 | 20,151 | 98,878 | 34,237 | 64,641 |
| ING Partners, Inc.: | | | | | | |
| ING American Century Large Company Value Portfolio - Adviser Class | 3,330 | - | 3,330 | 6,597 | - | 6,597 |
| ING American Century Large Company Value Portfolio - Service Class | 152,255 | 141,442 | 10,813 | 261,606 | 312,721 | (51,115) |
| ING American Century Small-Mid Cap Value Portfolio - Adviser Class | 7,653 | 6,292 | 1,361 | 3,046 | 1,610 | 1,436 |
| ING American Century Small-Mid Cap Value Portfolio - Service Class | 642,768 | 530,000 | 112,768 | 334,590 | 587,143 | (252,553) |
| ING Baron Asset Portfolio - Service Class | 195,627 | 157,395 | 38,232 | 362,660 | 98,595 | 264,065 |
| ING Baron Small Cap Growth Portfolio - Adviser Class | 22,721 | 13,612 | 9,109 | 21,838 | 6,475 | 15,363 |
| ING Baron Small Cap Growth Portfolio - Service Class | 2,443,020 | 2,115,308 | 327,712 | 2,302,412 | 1,557,538 | 744,874 |

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| | 2008 | | | 2007 | | |
| | Units Issued | Units Redeemed | Net Increase (Decrease) | Units Issued | Units Redeemed | Net Increase (Decrease) |
| ING Partners, Inc. (continued): | | | | | | |
| ING Columbia Small Cap Value II Portfolio - Service Class | 126,584 | 61,840 | 64,744 | 90,561 | 16,977 | 73,584 |
| ING Davis New York Venture Portfolio - Service Class | 429,149 | 269,610 | 159,539 | 90,239 | 206 | 90,033 |
| ING Fidelity® VIP Mid Cap Portfolio - Service Class | 644,350 | 62,151 | 582,199 | 320,169 | 1,293 | 318,876 |
| ING Index Solution 2015 Portfolio - Adviser Class | 4,707 | (2) | 4,709 | - | - | - |
| ING Index Solution 2025 Portfolio - Adviser Class | 11,318 | - | 11,318 | - | - | - |
| ING Index Solution 2035 Portfolio - Adviser Class | 7,489 | 4 | 7,485 | - | - | - |
| ING Index Solution 2045 Portfolio - Adviser Class | 973 | - | 973 | - | - | - |
| ING Index Solution Income Portfolio - Adviser Class | 112 | - | 112 | - | - | - |
| ING JPMorgan International Portfolio - Adviser Class | 4,590 | 18,591 | (14,001) | 91,909 | 79,500 | 12,409 |
| ING JPMorgan International Portfolio - Initial Class | 6,217,517 | 11,695,433 | (5,477,916) | 930,958 | 1,763,555 | (832,597) |
| ING JPMorgan International Portfolio - Service Class | 588 | 2,456 | (1,868) | 75,148 | 74,302 | 846 |
| ING JPMorgan Mid Cap Value Portfolio - Adviser Class | 14,310 | 15,736 | (1,426) | 31,188 | 7,076 | 24,112 |
| ING JPMorgan Mid Cap Value Portfolio - Service Class | 716,794 | 895,344 | (178,550) | 753,529 | 624,087 | 129,442 |
| ING Legg Mason Partners Aggressive Growth Portfolio - Adviser Class | 3,398 | 3,164 | 234 | 7,698 | 395 | 7,303 |
| ING Legg Mason Partners Aggressive Growth Portfolio - Initial Class | 2,068,223 | 3,589,805 | (1,521,582) | 1,451,954 | 4,147,807 | (2,695,853) |
| ING Legg Mason Partners Aggressive Growth Portfolio - Service Class | 10,294 | 1,190 | 9,104 | 612 | 15 | 597 |
| ING Legg Mason Partners Large Cap Growth Portfolio - Adviser Class | 628 | 13,566 | (12,938) | 14,820 | 5,011 | 9,809 |
| ING Legg Mason Partners Large Cap Growth Portfolio - Initial Class | 360,786 | 658,548 | (297,762) | 56,393 | 95,397 | (39,004) |
| ING Neuberger Berman Partners Portfolio - Service Class | 351,721 | 191,937 | 159,784 | 333,138 | 154,696 | 178,442 |
| ING Neuberger Berman Regency Portfolio - Service Class | 376 | 5,842 | (5,466) | 5,336 | 1 | 5,335 |
| ING OpCap Balanced Value Portfolio - Service Class | 140,167 | 914,713 | (774,546) | 55,321 | 200,551 | (145,230) |
| ING Oppenheimer Global Portfolio - Adviser Class | 13,040 | 10,145 | 2,895 | 26,982 | 6,598 | 20,384 |
| ING Oppenheimer Global Portfolio - Initial Class | 10,464,561 | 18,538,373 | (8,073,812) | 7,087,217 | 16,752,035 | (9,664,818) |
| ING Oppenheimer Global Portfolio - Service Class | 11,864 | 11,108 | 756 | 17,666 | 3,042 | 14,624 |
| ING Oppenheimer Strategic Income Portfolio - Adviser Class | 24,828 | 22,006 | 2,822 | 16,071 | 4,281 | 11,790 |
| ING Oppenheimer Strategic Income Portfolio - Initial Class | 4,753,262 | 4,325,808 | 427,454 | 3,657,876 | 3,311,398 | 346,478 |
| ING Oppenheimer Strategic Income Portfolio - Service Class | 30,449 | 336,194 | (305,745) | 331,994 | 1,560 | 330,434 |
| ING PIMCO Total Return Portfolio - Adviser Class | 56,433 | 28,172 | 28,261 | 36,805 | 13,949 | 22,856 |
| ING PIMCO Total Return Portfolio - Service Class | 6,195,346 | 4,369,373 | 1,825,973 | 3,136,099 | 1,922,724 | 1,213,375 |

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| | 2008 | | | 2007 | | |
| | Units Issued | Units Redeemed | Net Increase (Decrease) | Units Issued | Units Redeemed | Net Increase (Decrease) |
| ING Partners, Inc. (continued): | | | | | | |
| ING Pioneer High Yield Portfolio - Initial Class | 303,304 | 260,075 | 43,229 | 580,371 | 209,590 | 370,781 |
| ING Pioneer High Yield Portfolio - Service Class | 9,605 | 7,619 | 1,986 | 9,054 | 1,022 | 8,032 |
| ING Solution 2015 Portfolio - Adviser Class | 755,877 | 352,694 | 403,183 | 964,555 | 407,696 | 556,859 |
| ING Solution 2015 Portfolio - Service Class | 2,065,621 | 1,332,946 | 732,675 | 2,247,322 | 1,055,928 | 1,191,394 |
| ING Solution 2025 Portfolio - Adviser Class | 904,991 | 412,861 | 492,130 | 1,051,286 | 454,599 | 596,687 |
| ING Solution 2025 Portfolio - Service Class | 3,058,307 | 1,616,896 | 1,441,411 | 2,769,924 | 1,130,437 | 1,639,487 |
| ING Solution 2035 Portfolio - Adviser Class | 766,635 | 320,528 | 446,107 | 759,253 | 316,591 | 442,662 |
| ING Solution 2035 Portfolio - Service Class | 2,337,613 | 1,052,525 | 1,285,088 | 1,839,346 | 694,675 | 1,144,671 |
| ING Solution 2045 Portfolio - Adviser Class | 451,435 | 232,684 | 218,751 | 553,666 | 149,504 | 404,162 |
| ING Solution 2045 Portfolio - Service Class | 1,592,320 | 688,354 | 903,966 | 1,135,541 | 431,202 | 704,339 |
| ING Solution Growth and Income Portfolio - Service Class | 119,437 | 37,751 | 81,686 | - | - | - |
| ING Solution Growth Portfolio - Service Class | 64,306 | 39,245 | 25,061 | - | - | - |
| ING Solution Income Portfolio - Adviser Class | 372,956 | 164,342 | 208,614 | 953,824 | 458,294 | 495,530 |
| ING Solution Income Portfolio - Service Class | 521,217 | 432,641 | 88,576 | 697,660 | 303,763 | 393,897 |
| ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Adviser Class | 11,479 | 10,658 | 821 | 38,827 | 13,501 | 25,326 |
| ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Initial Class | 5,398,433 | 7,844,400 | (2,445,967) | 3,622,133 | 7,955,554 | (4,333,421) |
| ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Service Class | 9,431 | 11,687 | (2,256) | 361,336 | 357,445 | 3,891 |
| ING T. Rowe Price Growth Equity Portfolio - Adviser Class | 51,958 | 40,712 | 11,246 | 79,555 | 36 | 79,519 |
| ING T. Rowe Price Growth Equity Portfolio - Initial Class | 2,738,286 | 3,742,230 | (1,003,944) | 2,119,084 | 3,231,669 | (1,112,585) |
| ING T. Rowe Price Growth Equity Portfolio - Service Class | 68,959 | 30,548 | 38,411 | 40,453 | 20,038 | 20,415 |
| ING Templeton Foreign Equity Portfolio - Adviser Class | 28,033 | 5,346 | 22,687 | - | - | - |
| ING Templeton Foreign Equity Portfolio - Initial Class | 14,957,289 | 2,918,419 | 12,038,870 | - | - | - |
| ING Templeton Foreign Equity Portfolio - Service Class | 160,983 | 580,948 | (419,965) | 505,988 | 107,681 | 398,307 |
| ING Thornburg Value Portfolio - Adviser Class | 4,983 | 7,217 | (2,234) | 43,011 | 6,164 | 36,847 |
| ING Thornburg Value Portfolio - Initial Class | 1,028,341 | 1,344,413 | (316,072) | 908,253 | 1,370,840 | (462,587) |
| ING UBS U.S. Large Cap Equity Portfolio - Adviser Class | 5,230 | 4 | 5,226 | 20,061 | 18,948 | 1,113 |
| ING UBS U.S. Large Cap Equity Portfolio - Initial Class | 1,242,138 | 2,446,870 | (1,204,732) | 1,455,655 | 1,896,676 | (441,021) |
| ING UBS U.S. Large Cap Equity Portfolio - Service Class | 326 | 28 | 298 | 1,564 | 1,274 | 290 |
| ING UBS U.S. Small Cap Growth Portfolio - Service Class | 48,815 | 107,367 | (58,552) | 138,155 | 82,091 | 56,064 |

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ING LIFE INSURANCE AND ANNUITY COMPANY**
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| | Year Ended December 31, | | | | | |
|--------------------------------------------------------------------|-------------------------|-------------------|----------------------------|-----------------|-------------------|----------------------------|
| | 2008 | | | 2007 | | |
| | Units Issued | Units Redeemed | Net Increase (Decrease) | Units Issued | Units Redeemed | Net Increase (Decrease) |
| ING Partners, Inc. (continued): | | | | | | |
| ING Van Kampen Comstock Portfolio - Adviser Class | 11,588 | 16,360 | (4,772) | 33,669 | 13,389 | 20,280 |
| ING Van Kampen Comstock Portfolio - Service Class | 1,795,226 | 2,877,099 | (1,081,873) | 1,263,056 | 2,168,753 | (905,697) |
| ING Van Kampen Equity and Income Portfolio - Adviser Class | 28,806 | 11,457 | 17,349 | 17,787 | 2,302 | 15,485 |
| ING Van Kampen Equity and Income Portfolio - Initial Class | 5,712,119 | 8,989,943 | (3,277,824) | 4,447,388 | 9,639,063 | (5,191,675) |
| ING Van Kampen Equity and Income Portfolio - Service Class | 1,804 | 1,927 | (123) | 188,210 | 185,893 | 2,317 |
| ING Strategic Allocation Portfolios, Inc.: | | | | | | |
| ING VP Strategic Allocation Conservative Portfolio - Class I | 824,694 | 995,527 | (170,833) | 728,854 | 933,922 | (205,068) |
| ING VP Strategic Allocation Growth Portfolio - Class I | 1,352,865 | 1,668,249 | (315,384) | 1,086,612 | 1,404,602 | (317,990) |
| ING VP Strategic Allocation Moderate Portfolio - Class I | 1,674,269 | 1,847,461 | (173,192) | 1,158,918 | 1,809,637 | (650,719) |
| ING Variable Funds: | | | | | | |
| ING VP Growth and Income Portfolio - Class A | 61,481 | 20,473 | 41,008 | 14,612 | 7 | 14,605 |
| ING VP Growth and Income Portfolio - Class I | 8,411,252 | 19,391,889 | (10,980,637) | 7,117,241 | 16,768,633 | (9,651,392) |
| ING VP Growth and Income Portfolio - Class S | 47,033 | 10,670 | 36,363 | 9,341 | - | 9,341 |
| ING Variable Insurance Trust: | | | | | | |
| ING GET U.S. Core Portfolio - Series 1 | - | 79,603 | (79,603) | - | 9,163 | (9,163) |
| ING GET U.S. Core Portfolio - Series 2 | 6,499 | 517,054 | (510,555) | 36,724 | 230,619 | (193,895) |
| ING GET U.S. Core Portfolio - Series 3 | 24,582 | 462,586 | (438,004) | 97,747 | 621,892 | (524,145) |
| ING GET U.S. Core Portfolio - Series 5 | - | 11,347 | (11,347) | - | 2,418 | (2,418) |
| ING GET U.S. Core Portfolio - Series 6 | 245 | 44,313 | (44,068) | 3,892 | 99,492 | (95,600) |
| ING GET U.S. Core Portfolio - Series 7 | 3,423 | 34,178 | (30,755) | 9,451 | 108,202 | (98,751) |
| ING GET U.S. Core Portfolio - Series 8 | 1,489 | 12,901 | (11,412) | - | 50,524 | (50,524) |
| ING GET U.S. Core Portfolio - Series 9 | 1,230 | 2,352 | (1,122) | - | 654 | (654) |
| ING GET U.S. Core Portfolio - Series 10 | 1,051 | 1,199 | (148) | - | 119 | (119) |
| ING GET U.S. Core Portfolio - Series 11 | 2,022 | 3,423 | (1,401) | 1,378 | 1,387 | (9) |
| ING Variable Portfolios, Inc.: | | | | | | |
| ING BlackRock Global Science and Technology Portfolio - Class I | 3,205,098 | 4,004,636 | (799,538) | 3,050,740 | 3,458,973 | (408,233) |
| ING International Index Portfolio - Class I | 65,337 | 28,124 | 37,213 | - | - | - |
| ING Lehman Brothers U.S. Aggregate Bond Index® Portfolio - Class I | 245,094 | 92,194 | 152,900 | - | - | - |
| ING Opportunistic Large Cap Growth Portfolio - Class I | 878,310 | 1,278,791 | (400,481) | 918,075 | 1,844,379 | (926,304) |

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| | Year Ended December 31, | | | | | |
|-------------------------------------------------------|-------------------------|-------------------|----------------------------|-----------------|-------------------|----------------------------|
| | 2008 | | | 2007 | | |
| | Units Issued | Units Redeemed | Net Increase (Decrease) | Units Issued | Units Redeemed | Net Increase (Decrease) |
| ING Variable Portfolios, Inc. (continued): | | | | | | |
| ING Opportunistic Large Cap Value Portfolio - Class I | 878,286 | 1,478,814 | (600,528) | 615,854 | 1,440,721 | (824,867) |
| ING Russell™ Large Cap Index Portfolio - Class I | 438,570 | 35,576 | 402,994 | - | - | - |
| ING Russell™ Mid Cap Index Portfolio - Class I | 280,175 | 55,934 | 224,241 | - | - | - |
| ING Russell™ Small Cap Index Portfolio - Class I | 124,705 | 33,512 | 91,193 | - | - | - |
| ING VP Index Plus LargeCap Portfolio - Class I | 4,700,264 | 7,518,268 | (2,818,004) | 3,132,176 | 7,400,122 | (4,267,946) |
| ING VP Index Plus LargeCap Portfolio - Class S | 29,154 | 13,839 | 15,315 | 34,733 | 7,800 | 26,933 |
| ING VP Index Plus MidCap Portfolio - Class I | 3,748,737 | 5,296,655 | (1,547,918) | 3,013,153 | 5,345,859 | (2,332,706) |
| ING VP Index Plus MidCap Portfolio - Class S | 22,153 | 15,652 | 6,501 | 26,670 | 1,311 | 25,359 |
| ING VP Index Plus SmallCap Portfolio - Class I | 2,156,481 | 3,391,049 | (1,234,568) | 1,855,429 | 3,309,955 | (1,454,526) |
| ING VP Index Plus SmallCap Portfolio - Class S | 4,159 | 4,354 | (195) | 4,508 | 640 | 3,868 |
| ING VP Small Company Portfolio - Class I | 1,778,485 | 1,936,409 | (157,924) | 1,082,126 | 2,632,490 | (1,550,364) |
| ING VP Small Company Portfolio - Class S | 9,399 | 4,606 | 4,793 | 6,798 | 735 | 6,063 |
| ING Variable Products Trust: | | | | | | |
| ING VP Financial Services Portfolio - Class I | 470,025 | 684,679 | (214,654) | 205,752 | 253,616 | (47,864) |
| ING VP International Value Portfolio - Class I | 2,238,132 | 2,685,227 | (447,095) | 990,186 | 382 | 989,804 |
| ING VP International Value Portfolio - Class S | 15,757 | 18,951 | (3,194) | 29,605 | 2,213 | 27,392 |
| ING VP MidCap Opportunities Portfolio - Class I | 771,053 | 485,532 | 285,521 | 386,244 | 246,512 | 139,732 |
| ING VP MidCap Opportunities Portfolio - Class S | 15,833 | 8,420 | 7,413 | 4,777 | 21 | 4,756 |
| ING VP Real Estate Portfolio - Class I | 1,235,660 | 4,087,262 | (2,851,602) | 1,182,755 | 2,488,798 | (1,306,043) |
| ING VP SmallCap Opportunities Portfolio - Class I | 958,830 | 867,957 | 90,873 | 464,165 | 386,491 | 77,674 |
| ING VP SmallCap Opportunities Portfolio - Class S | 9,151 | 4,832 | 4,319 | 1,261 | 736 | 525 |
| ING VP Balanced Portfolio, Inc.: | | | | | | |
| ING VP Balanced Portfolio - Class I | 2,918,839 | 6,598,521 | (3,679,682) | 2,955,259 | 5,433,278 | (2,478,019) |
| ING VP Intermediate Bond Portfolio: | | | | | | |
| ING VP Intermediate Bond Portfolio - Class I | 5,513,773 | 6,888,917 | (1,375,144) | 5,417,154 | 4,942,349 | 474,805 |
| ING VP Intermediate Bond Portfolio - Class S | 11,030 | 12,550 | (1,520) | 37,708 | 15,412 | 22,296 |
| ING VP Money Market Portfolio: | | | | | | |
| ING VP Money Market Portfolio - Class I | 25,711,004 | 20,488,837 | 5,222,167 | 19,867,213 | 12,375,205 | 7,492,008 |

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| | Year Ended December 31, | | | | | |
|----------------------------------------------------------------------|-------------------------|-------------------|----------------------------|-----------------|-------------------|----------------------------|
| | 2008 | | | 2007 | | |
| | Units Issued | Units Redeemed | Net Increase (Decrease) | Units Issued | Units Redeemed | Net Increase (Decrease) |
| Janus Adviser Series: | | | | | | |
| Janus Adviser Balanced Fund - Class S | - | 46 | (46) | 2,759 | 2,759 | - |
| Janus Aspen Series: | | | | | | |
| Janus Aspen Series Balanced Portfolio - Institutional Shares | 2,504 | 5,803 | (3,299) | 5,933 | 7,591 | (1,658) |
| Janus Aspen Series Flexible Bond Portfolio - Institutional Shares | 1,329 | 1,573 | (244) | 2,104 | 3,023 | (919) |
| Janus Aspen Series Large Cap Growth Portfolio - Institutional Shares | 5,889 | 6,589 | (700) | 3,432 | 4,271 | (839) |
| Janus Aspen Series Mid Cap Growth Portfolio - Institutional Shares | 8,675 | 10,518 | (1,843) | 8,231 | 10,635 | (2,404) |
| Janus Aspen Series Worldwide Growth Portfolio - Institutional Shares | 13,922 | 14,574 | (652) | 3,238 | 5,612 | (2,374) |
| The Lazard Funds, Inc.: | | | | | | |
| Lazard U.S. Mid Cap Equity Portfolio - Open Shares | 49,608 | 14,297 | 35,311 | 56,367 | 19,163 | 37,204 |
| LKCM Funds: | | | | | | |
| LKCM Aquinas Growth Fund | 7,144 | 949 | 6,195 | 22,791 | 20,172 | 2,619 |
| Loomis Sayles Funds I: | | | | | | |
| Loomis Sayles Small Cap Value Fund - Retail Class | 132,753 | 6,488 | 126,265 | - | - | - |
| Lord Abbett Affiliated Fund, Inc.: | | | | | | |
| Lord Abbett Mid-Cap Value Fund, Inc. - Class A | 46,076 | 48,401 | (2,325) | 62,464 | 50,314 | 12,150 |
| Lord Abbett Research Fund, Inc.: | | | | | | |
| Lord Abbett Small-Cap Value Fund - Class A | 39,227 | 43,645 | (4,418) | 67,759 | 59,864 | 7,895 |
| Lord Abbett Series Fund, Inc.: | | | | | | |
| Lord Abbett Series Fund - Mid-Cap Value Portfolio - Class VC | 2,068,375 | 3,447,988 | (1,379,613) | 1,899,814 | 2,525,719 | (625,905) |
| Massachusetts Investors Growth Stock Fund: | | | | | | |
| Massachusetts Investors Growth Stock Fund - Class A | 13,538 | 25,419 | (11,881) | 23,149 | 17,169 | 5,980 |
| Moderate Allocation Portfolio: | | | | | | |
| Moderate Allocation Portfolio | - | 2,583 | (2,583) | 646 | - | 646 |
| Morgan Stanley Institutional Fund Trust: | | | | | | |
| Morgan Stanley U.S. Small Cap Value Portfolio - Class I | 153,997 | 40,399 | 113,598 | - | - | - |
| Neuberger Berman Equity Funds®: | | | | | | |
| Neuberger Berman Socially Responsive Fund® - Trust Class | 260,191 | 117,032 | 143,159 | 159,925 | 33,771 | 126,154 |

**VARIABLE ANNUITY ACCOUNT C OF
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| | Year Ended December 31, | | | | | |
|--------------------------------------------------------|-------------------------|-------------------|----------------------------|-----------------|-------------------|----------------------------|
| | 2008 | | | 2007 | | |
| | Units Issued | Units Redeemed | Net Increase (Decrease) | Units Issued | Units Redeemed | Net Increase (Decrease) |
| New Perspective Fund®, Inc.: | | | | | | |
| New Perspective Fund®, Inc. - Class R-3 | 91,701 | 75,474 | 16,227 | 231,269 | 75,992 | 155,277 |
| New Perspective Fund®, Inc. - Class R-4 | 2,285,471 | 978,958 | 1,306,513 | 1,180,646 | 620,099 | 560,547 |
| Oppenheimer Capital Appreciation Fund: | | | | | | |
| Oppenheimer Capital Appreciation Fund - Class A | 40,754 | 34,576 | 6,178 | 39,871 | 29,627 | 10,244 |
| Oppenheimer Developing Markets Fund: | | | | | | |
| Oppenheimer Developing Markets Fund - Class A | 1,431,493 | 1,576,308 | (144,815) | 1,631,150 | 1,356,798 | 274,352 |
| Oppenheimer Variable Account Funds: | | | | | | |
| Oppenheimer Global Securities/VA | 5,423 | 11,863 | (6,440) | 5,379 | 14,493 | (9,114) |
| Oppenheimer Main Street Fund®/VA | - | 1,077 | (1,077) | 14 | 1,154 | (1,140) |
| Oppenheimer Main Street Small Cap Fund®/VA | 236,045 | 189,455 | 46,590 | 332,421 | 152,188 | 180,233 |
| Oppenheimer MidCap Fund/VA | - | 520 | (520) | 4,230 | 100 | 4,130 |
| Oppenheimer Strategic Bond Fund/VA | 429 | 534 | (105) | 2,831 | 3,717 | (886) |
| Pax World Funds Series Trust I: | | | | | | |
| Pax World Balanced Fund | 1,917,060 | 1,518,986 | 398,074 | 1,456,218 | 1,070,970 | 385,248 |
| PIMCO Variable Insurance Trust: | | | | | | |
| PIMCO Real Return Portfolio - Administrative Class | 6,383,005 | 3,029,053 | 3,353,952 | 1,872,114 | 1,349,048 | 523,066 |
| Pioneer High Yield Fund: | | | | | | |
| Pioneer High Yield Fund - Class A | 150,622 | 95,568 | 55,054 | 229,101 | 117,129 | 111,972 |
| Pioneer Variable Contracts Trust: | | | | | | |
| Pioneer Emerging Markets VCT Portfolio - Class I | 2,051,135 | 2,106,780 | (55,645) | 3,024,096 | 744,570 | 2,279,526 |
| Pioneer Equity Income VCT Portfolio - Class I | 22,339 | 101,777 | (79,438) | 3,785,938 | 11,822,590 | (8,036,652) |
| Pioneer High Yield VCT Portfolio - Class I | 609,690 | 697,348 | (87,658) | 878,955 | 346,365 | 532,590 |
| Pioneer Mid Cap Value VCT Portfolio - Class I | 8,525 | 35,963 | (27,438) | 808,549 | 5,489,676 | (4,681,127) |
| Premier VIT: | | | | | | |
| Premier VIT OpCap Mid Cap Portfolio | 532,282 | 135,793 | 396,489 | 48,932 | 8,831 | 40,101 |
| RiverSource Investment Series, Inc.: | | | | | | |
| RiverSource Diversified Equity Income Fund - Class R-4 | 256,781 | 20,088 | 236,693 | - | - | - |
| SmallCap World Fund, Inc.: | | | | | | |
| SMALLCAP World Fund® - Class R-4 | 102,952 | 23,436 | 79,516 | - | - | - |

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| | Year Ended December 31, | | | | | |
|-------------------------------------------------------------------|-------------------------|-------------------|----------------------------|-----------------|-------------------|----------------------------|
| | 2008 | | | 2007 | | |
| | Units Issued | Units Redeemed | Net Increase (Decrease) | Units Issued | Units Redeemed | Net Increase (Decrease) |
| T. Rowe Price Mid-Cap Value Fund, Inc.: | | | | | | |
| T. Rowe Price Mid-Cap Value Fund - R Class | 33,109 | 27,192 | 5,917 | 47,799 | 48,781 | (982) |
| T. Rowe Price Value Fund, Inc.: | | | | | | |
| T. Rowe Price Value Fund - Advisor Class | 1,503 | 404 | 1,099 | 1,127,366 | 1,124,683 | 2,683 |
| Templeton Funds, Inc.: | | | | | | |
| Templeton Foreign Fund - Class A | 34,265 | 44,692 | (10,427) | 39,429 | 16,711 | 22,718 |
| Templeton Income Trust: | | | | | | |
| Templeton Global Bond Fund - Class A | 4,912,843 | 3,025,426 | 1,887,417 | 3,323,277 | 848,473 | 2,474,804 |
| Vanguard® Variable Insurance Fund: | | | | | | |
| Diversified Value Portfolio | 1,456 | 633 | 823 | 1,484 | 705 | 779 |
| Equity Income Portfolio | 6,373 | 10,764 | (4,391) | 7,478 | 3,087 | 4,391 |
| Small Company Growth Portfolio | 3,329 | 1,681 | 1,648 | 7,104 | 1,898 | 5,206 |
| Wanger Advisors Trust: | | | | | | |
| Wanger International | 1,134,746 | 847,490 | 287,256 | 1,117,096 | 201,335 | 915,761 |
| Wanger Select | 2,004,217 | 1,816,671 | 187,546 | 3,483,410 | 1,088,696 | 2,394,714 |
| Wanger USA | 762,962 | 547,518 | 215,444 | 759,102 | 501,522 | 257,580 |
| Washington Mutual Investors Fund SM , Inc.: | | | | | | |
| Washington Mutual Investors Fund SM , Inc. - Class R-3 | 254,746 | 201,698 | 53,048 | 277,535 | 184,207 | 93,328 |
| Washington Mutual Investors Fund SM , Inc. - Class R-4 | 2,584,263 | 2,507,231 | 77,032 | 2,074,064 | 2,019,305 | 54,759 |
| Wells Fargo Funds Trust: | | | | | | |
| Wells Fargo Advantage Small Cap Value Fund - Class A | 3,657 | 1,190 | 2,467 | 2,194 | 88 | 2,106 |

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ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

9. Unit Summary

| <u>Division/Contract</u> | <u>Units</u> | <u>Unit Value</u> | <u>Extended Value</u> |
|-------------------------------------------------------------|-------------------|-------------------|-----------------------|
| AIM Mid Cap Core Equity Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP4 | 2,262.231 | \$ 10.46 | \$ 23,663 |
| ING MAP PLUS NP8 | 1,289.149 | 10.35 | 13,343 |
| ING MAP PLUS NP9 | 1,740.348 | 10.33 | 17,978 |
| ING MAP PLUS NP11 | 11,543.378 | 10.28 | 118,666 |
| ING MAP PLUS NP15 | 17.848 | 10.18 | 182 |
| ING MAP PLUS NP25 | 3,230.491 | 9.93 | 32,079 |
| ING MAP PLUS NP26 | 4.098 | 9.91 | 41 |
| ING MAP PLUS NP28 | 1,564.968 | 9.86 | 15,431 |
| ING MAP PLUS NP30 | 30.956 | 9.81 | 304 |
| Qualified XII (1.00) | 901.947 | 11.62 | 10,481 |
| | <u>22,585.414</u> | | <u>\$ 232,168</u> |
| AIM Small Cap Growth Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| Qualified XII (1.00) | 2,334.842 | \$ 8.69 | \$ 20,290 |
| AIM Global Health Care Fund - Investor Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP9 | 602.805 | \$ 25.33 | \$ 15,269 |
| ING MAP PLUS NP11 | 913.840 | 25.24 | 23,065 |
| ING MAP PLUS NP17 | 266.703 | 24.98 | 6,662 |
| ING MAP PLUS NP21 | 828.274 | 24.80 | 20,541 |
| ING MAP PLUS NP23 | 902.254 | 24.72 | 22,304 |
| ING MAP PLUS NP26 | 727.689 | 24.59 | 17,894 |
| ING MAP PLUS NP28 | 303.025 | 24.50 | 7,424 |
| ING MAP PLUS NP29 | 102.265 | 24.46 | 2,501 |
| ING MAP PLUS NP30 | 260.758 | 24.42 | 6,368 |
| | <u>4,907.613</u> | | <u>\$ 122,028</u> |
| AIM V.I. Capital Appreciation Fund - Series I Shares | | | |
| Currently payable annuity contracts: | 9,511.604 | \$4.01 to \$8.14 | \$ 47,244 |
| Contracts in accumulation period: | | | |
| Qualified VI | 1,016,485.894 | 6.54 | 6,647,818 |
| Qualified VIII | 1,779.133 | 6.53 | 11,618 |
| Qualified X (1.15) | 22,383.309 | 6.60 | 147,730 |
| Qualified X (1.25) | 101,840.729 | 6.54 | 666,038 |
| Qualified XII (0.00) | 746.220 | 7.38 | 5,507 |
| Qualified XII (0.05) | 6,265.229 | 7.11 | 44,546 |
| Qualified XII (0.20) | 2,277.403 | 7.24 | 16,488 |
| Qualified XII (0.25) | 240.752 | 7.21 | 1,736 |
| Qualified XII (0.30) | 33,500.004 | 7.17 | 240,195 |
| Qualified XII (0.35) | 726.654 | 7.14 | 5,188 |
| Qualified XII (0.40) | 16,872.461 | 7.10 | 119,794 |
| Qualified XII (0.50) | 23,865.026 | 7.03 | 167,771 |
| Qualified XII (0.55) | 22,321.517 | 7.00 | 156,251 |
| Qualified XII (0.60) | 19,488.792 | 6.96 | 135,642 |
| Qualified XII (0.65) | 73,508.805 | 6.93 | 509,416 |
| Qualified XII (0.70) | 53,838.287 | 6.90 | 371,484 |

**VARIABLE ANNUITY ACCOUNT C OF
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| Division/Contract | Units | Unit Value | Extended Value |
|-----------------------------------------------------------------------------|----------------------|-------------------|-----------------------|
| AIM V.I. Capital Appreciation Fund - Series I Shares (continued) | | | |
| Qualified XII (0.75) | 69,732.631 | \$ 6.86 | \$ 478,366 |
| Qualified XII (0.80) | 103,556.934 | 6.83 | 707,294 |
| Qualified XII (0.85) | 185,083.679 | 6.80 | 1,258,569 |
| Qualified XII (0.90) | 7,630.074 | 6.76 | 51,579 |
| Qualified XII (0.95) | 162,909.314 | 6.73 | 1,096,380 |
| Qualified XII (1.00) | 208,692.479 | 6.70 | 1,398,240 |
| Qualified XII (1.05) | 31,256.708 | 6.67 | 208,482 |
| Qualified XII (1.10) | 51,644.976 | 6.63 | 342,406 |
| Qualified XII (1.15) | 43,317.374 | 6.60 | 285,895 |
| Qualified XII (1.20) | 31,562.673 | 6.57 | 207,367 |
| Qualified XII (1.25) | 51,977.544 | 6.54 | 339,933 |
| Qualified XII (1.30) | 4,679.393 | 6.51 | 30,463 |
| Qualified XII (1.35) | 6,682.566 | 6.48 | 43,303 |
| Qualified XII (1.40) | 12,848.557 | 6.44 | 82,745 |
| Qualified XII (1.45) | 3,093.339 | 6.41 | 19,828 |
| Qualified XII (1.50) | 1,273.854 | 6.38 | 8,127 |
| Qualified XV | 11,558.656 | 6.71 | 77,559 |
| Qualified XVI | 31,228.951 | 6.38 | 199,241 |
| Qualified XVII | 817.540 | 6.54 | 5,347 |
| Qualified XVIII | 3,002.818 | 6.54 | 19,638 |
| Qualified XXV | 9,264.897 | 6.81 | 63,094 |
| Qualified XXVI | 4,727.878 | 6.73 | 31,819 |
| Qualified XXVII | 302,165.874 | 4.13 | 1,247,945 |
| Qualified XXXII | 1,532.654 | 7.65 | 11,725 |
| Qualified XXXVI | 1,391.157 | 7.65 | 10,642 |
| Qualified XXXVIII | 10,104.984 | 5.60 | 56,588 |
| Qualified XLIII | 1,109.246 | 5.58 | 6,190 |
| Qualified LIII | 13,181.885 | 7.90 | 104,137 |
| Qualified LIV | 7,894.954 | 7.84 | 61,896 |
| Qualified LVI | 14,915.777 | 7.93 | 118,282 |
| Qualified LIX | 507.783 | 7.73 | 3,925 |
| | <u>2,794,998.968</u> | | <u>\$ 17,871,471</u> |
| AIM V.I. Core Equity Fund - Series I Shares | | | |
| Currently payable annuity contracts: | 40,192.784 | \$9.19 to \$10.02 | \$ 400,662 |
| Contracts in accumulation period: | | | |
| Qualified VI | 1,576,598.643 | 7.33 | 11,556,468 |
| Qualified VIII | 4.083 | 7.33 | 30 |
| Qualified X (1.15) | 33,778.666 | 7.40 | 249,962 |
| Qualified X (1.25) | 96,277.832 | 7.33 | 705,717 |
| Qualified XII (0.00) | 386.406 | 8.28 | 3,199 |
| Qualified XII (0.05) | 15,072.452 | 7.98 | 120,278 |
| Qualified XII (0.10) | 8.649 | 8.20 | 71 |
| Qualified XII (0.20) | 5,627.032 | 8.12 | 45,692 |
| Qualified XII (0.25) | 59.715 | 8.08 | 483 |
| Qualified XII (0.30) | 60,384.812 | 8.04 | 485,494 |
| Qualified XII (0.35) | 2,046.544 | 8.00 | 16,372 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--------------------------------------------------------------------|----------------------|-------------------|-----------------------|
| AIM V.I. Core Equity Fund - Series I Shares (continued) | | | |
| Qualified XII (0.40) | 14,949.729 | \$ 7.96 | \$ 119,000 |
| Qualified XII (0.50) | 34,384.455 | 7.89 | 271,293 |
| Qualified XII (0.55) | 54,037.396 | 7.85 | 424,194 |
| Qualified XII (0.60) | 41,182.708 | 7.81 | 321,637 |
| Qualified XII (0.65) | 48,014.799 | 7.77 | 373,075 |
| Qualified XII (0.70) | 62,974.940 | 7.73 | 486,796 |
| Qualified XII (0.75) | 96,141.968 | 7.70 | 740,293 |
| Qualified XII (0.80) | 193,666.698 | 7.66 | 1,483,487 |
| Qualified XII (0.85) | 199,412.807 | 7.62 | 1,519,526 |
| Qualified XII (0.90) | 9,414.225 | 7.59 | 71,454 |
| Qualified XII (0.95) | 215,265.995 | 7.55 | 1,625,258 |
| Qualified XII (1.00) | 481,590.988 | 7.51 | 3,616,748 |
| Qualified XII (1.05) | 86,233.914 | 7.48 | 645,030 |
| Qualified XII (1.10) | 63,604.590 | 7.44 | 473,218 |
| Qualified XII (1.15) | 39,837.982 | 7.40 | 294,801 |
| Qualified XII (1.20) | 44,763.802 | 7.37 | 329,909 |
| Qualified XII (1.25) | 62,944.889 | 7.33 | 461,386 |
| Qualified XII (1.30) | 3,168.251 | 7.30 | 23,128 |
| Qualified XII (1.35) | 10,489.865 | 7.26 | 76,156 |
| Qualified XII (1.40) | 19,761.501 | 7.23 | 142,876 |
| Qualified XII (1.45) | 2,458.149 | 7.19 | 17,674 |
| Qualified XII (1.50) | 2,673.697 | 7.16 | 19,144 |
| Qualified XV | 6,036.454 | 7.53 | 45,455 |
| Qualified XVI | 37,028.947 | 7.16 | 265,127 |
| Qualified XVII | 2,182.548 | 7.34 | 16,020 |
| Qualified XVIII | 5,002.014 | 7.34 | 36,715 |
| Qualified XXV | 19,916.885 | 7.64 | 152,165 |
| Qualified XXVI | 4,209.624 | 7.55 | 31,783 |
| Qualified XXVII | 535,570.594 | 5.93 | 3,175,934 |
| Qualified XXXII | 856.377 | 9.85 | 8,435 |
| Qualified XXXIII (0.65) | 659.484 | 10.08 | 6,648 |
| Qualified XXXVI | 1,678.856 | 10.16 | 17,057 |
| Qualified XXXVIII | 25,941.121 | 6.87 | 178,216 |
| Qualified XLIII | 122.841 | 6.85 | 841 |
| Qualified LIII | 33,696.777 | 9.49 | 319,782 |
| Qualified LIV | 5,241.761 | 9.43 | 49,430 |
| Qualified LVI | 16,969.652 | 9.53 | 161,721 |
| Qualified LIX | 6,660.733 | 10.25 | 68,273 |
| | <u>4,319,185.634</u> | | <u>\$ 31,654,113</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| <u>Division/Contract</u> | <u>Units</u> | <u>Unit Value</u> | <u>Extended Value</u> |
|-----------------------------------------------------------------|-------------------|-------------------|-----------------------|
| AllianceBernstein Growth and Income Fund, Inc. - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP11 | 6,592.785 | \$ 7.94 | \$ 52,347 |
| ING MAP PLUS NP15 | 61.853 | 7.87 | 487 |
| ING MAP PLUS NP17 | 1,761.494 | 7.83 | 13,793 |
| ING MAP PLUS NP18 | 6,124.347 | 7.81 | 47,831 |
| ING MAP PLUS NP22 | 800.376 | 7.73 | 6,187 |
| ING MAP PLUS NP23 | 1,978.971 | 7.71 | 15,258 |
| ING MAP PLUS NP26 | 1,058.748 | 7.66 | 8,110 |
| ING MAP PLUS NP28 | 212.024 | 7.62 | 1,616 |
| | <u>18,590.598</u> | | <u>\$ 145,629</u> |
| AllianceBernstein Growth and Income Portfolio - Class A | | | |
| Contracts in accumulation period: | | | |
| Qualified X (1.15) | 24,218.846 | \$ 8.24 | \$ 199,563 |
| Qualified X (1.25) | 20,172.820 | 8.20 | 165,417 |
| Qualified XVIII | 718.472 | 8.30 | 5,963 |
| | <u>45,110.138</u> | | <u>\$ 370,943</u> |
| Allianz NFJ Large-Cap Value Fund - Institutional Class | | | |
| Contracts in accumulation period: | | | |
| Qualified VI | 426.499 | \$ 6.09 | \$ 2,597 |
| Qualified XLII | 88,909.379 | 6.14 | 545,904 |
| Qualified LIV | 5,201.298 | 6.11 | 31,780 |
| | <u>94,537.176</u> | | <u>\$ 580,281</u> |
| Allianz NFJ Small-Cap Value Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP8 | 64.746 | \$ 12.02 | \$ 778 |
| ING MAP PLUS NP9 | 1,220.794 | 11.99 | 14,637 |
| ING MAP PLUS NP14 | 3,225.812 | 11.84 | 38,194 |
| ING MAP PLUS NP15 | 569.988 | 11.81 | 6,732 |
| ING MAP PLUS NP17 | 0.466 | 11.75 | 5 |
| ING MAP PLUS NP18 | 16,744.725 | 11.72 | 196,248 |
| ING MAP PLUS NP21 | 6,834.265 | 11.64 | 79,551 |
| | <u>28,660.796</u> | | <u>\$ 336,145</u> |
| Amana Growth Fund | | | |
| Contracts in accumulation period: | | | |
| Qualified XII (0.05) | 4,928.827 | \$ 7.36 | \$ 36,276 |
| Amana Income Fund | | | |
| Contracts in accumulation period: | | | |
| Qualified XII (0.05) | 5,713.198 | \$ 8.12 | \$ 46,391 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| <u>Division/Contract</u> | <u>Units</u> | <u>Unit Value</u> | <u>Extended Value</u> |
|------------------------------------------------------------|--------------------|-------------------|-----------------------|
| American Balanced Fund® - Class R-3 | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 8,669.980 | \$ 9.59 | \$ 83,145 |
| ING MAP PLUS NP3 | 13,348.398 | 9.55 | 127,477 |
| ING MAP PLUS NP4 | 2,412.104 | 9.52 | 22,963 |
| ING MAP PLUS NP6 | 41,107.572 | 9.48 | 389,700 |
| ING MAP PLUS NP8 | 10,046.818 | 9.43 | 94,741 |
| ING MAP PLUS NP9 | 24,621.701 | 9.41 | 231,690 |
| ING MAP PLUS NP10 | 17,376.093 | 9.38 | 162,988 |
| ING MAP PLUS NP11 | 2,361.908 | 9.36 | 22,107 |
| ING MAP PLUS NP14 | 67,763.794 | 9.29 | 629,526 |
| ING MAP PLUS NP15 | 28,336.174 | 9.27 | 262,676 |
| ING MAP PLUS NP16 | 29,721.538 | 9.25 | 274,924 |
| ING MAP PLUS NP17 | 8,384.995 | 9.22 | 77,310 |
| ING MAP PLUS NP18 | 4,757.975 | 9.20 | 43,773 |
| ING MAP PLUS NP19 | 34,461.526 | 9.18 | 316,357 |
| ING MAP PLUS NP20 | 65,199.024 | 9.16 | 597,223 |
| ING MAP PLUS NP21 | 38,848.811 | 9.13 | 354,690 |
| ING MAP PLUS NP23 | 8,466.691 | 9.09 | 76,962 |
| ING MAP PLUS NP25 | 1,754.931 | 9.05 | 15,882 |
| ING MAP PLUS NP26 | 5,694.125 | 9.02 | 51,361 |
| ING MAP PLUS NP27 | 6,033.063 | 9.00 | 54,298 |
| ING MAP PLUS NP28 | 19,030.982 | 8.98 | 170,898 |
| ING MAP PLUS NP29 | 592.781 | 8.96 | 5,311 |
| | <u>438,990.984</u> | | <u>\$ 4,066,002</u> |
| American Century Income & Growth Fund - A Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XII (1.00) | 279.684 | \$ 23.62 | \$ 6,606 |
| Qualified XXVII | <u>484,137.556</u> | 7.64 | <u>3,698,811</u> |
| | <u>484,417.240</u> | | <u>\$ 3,705,417</u> |
| Ariel Appreciation Fund | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP9 | 15,380.234 | \$ 7.09 | \$ 109,046 |
| ING MAP PLUS NP11 | 90.465 | 7.05 | 638 |
| ING MAP PLUS NP14 | 14,898.756 | 7.00 | 104,291 |
| ING MAP PLUS NP15 | 9,779.711 | 6.98 | 68,262 |
| ING MAP PLUS NP17 | 5,307.875 | 6.95 | 36,890 |
| ING MAP PLUS NP18 | 887.680 | 6.93 | 6,152 |
| ING MAP PLUS NP19 | 104.744 | 6.92 | 725 |
| ING MAP PLUS NP22 | 944.666 | 6.86 | 6,480 |
| ING MAP PLUS NP23 | 6,410.111 | 6.85 | 43,909 |
| ING MAP PLUS NP26 | 130.713 | 6.80 | 889 |
| ING MAP PLUS NP28 | 355.201 | 6.76 | 2,401 |
| ING MAP PLUS NP29 | 1,346.203 | 6.75 | 9,087 |
| ING MAP PLUS NP30 | 80.024 | 6.73 | 539 |
| ING MAP PLUS NP32 | 90.931 | 6.70 | 609 |
| ING MAP PLUS NP36 | 829.265 | 6.63 | 5,498 |
| | <u>56,636.579</u> | | <u>\$ 395,416</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| <u>Division/Contract</u> | <u>Units</u> | <u>Unit Value</u> | <u>Extended Value</u> |
|-----------------------------------------------------|--------------------|-------------------|-----------------------|
| Ariel Fund | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP6 | 98.544 | \$ 6.51 | \$ 642 |
| ING MAP PLUS NP8 | 1,375.167 | 6.48 | 8,911 |
| ING MAP PLUS NP9 | 17,660.302 | 6.46 | 114,086 |
| ING MAP PLUS NP14 | 2,780.956 | 6.38 | 17,743 |
| ING MAP PLUS NP15 | 24,153.085 | 6.37 | 153,855 |
| ING MAP PLUS NP17 | 11,034.789 | 6.34 | 69,961 |
| ING MAP PLUS NP18 | 3,705.396 | 6.32 | 23,418 |
| ING MAP PLUS NP19 | 12,232.208 | 6.30 | 77,063 |
| ING MAP PLUS NP20 | 10,131.429 | 6.29 | 63,727 |
| ING MAP PLUS NP21 | 1,902.738 | 6.27 | 11,930 |
| ING MAP PLUS NP22 | 537.832 | 6.26 | 3,367 |
| ING MAP PLUS NP23 | 8,732.276 | 6.24 | 54,489 |
| ING MAP PLUS NP24 | 1,582.348 | 6.23 | 9,858 |
| ING MAP PLUS NP26 | 1,637.676 | 6.20 | 10,154 |
| ING MAP PLUS NP27 | 181.662 | 6.18 | 1,123 |
| ING MAP PLUS NP28 | 210.073 | 6.17 | 1,296 |
| ING MAP PLUS NP29 | 1,638.135 | 6.15 | 10,075 |
| ING MAP PLUS NP30 | 1,078.376 | 6.14 | 6,621 |
| | <u>100,672.992</u> | | <u>\$ 638,319</u> |
| Artisan International Fund - Investor Shares | | | |
| Contracts in accumulation period: | | | |
| Qualified VI | 20,632.354 | \$ 5.56 | \$ 114,716 |
| Qualified XII (0.30) | 7,259.493 | 5.82 | 42,250 |
| Qualified XII (0.40) | 31.714 | 5.81 | 184 |
| Qualified XII (0.50) | 3,807.612 | 5.80 | 22,084 |
| Qualified XII (0.65) | 27.207 | 5.79 | 158 |
| Qualified XII (0.70) | 430.604 | 5.78 | 2,489 |
| Qualified XII (0.80) | 326.366 | 5.77 | 1,883 |
| Qualified XII (0.85) | 7,622.929 | 5.77 | 43,984 |
| Qualified XII (0.90) | 365.622 | 5.76 | 2,106 |
| Qualified XII (0.95) | 1,181.972 | 5.76 | 6,808 |
| Qualified XII (1.00) | 9,978.089 | 5.76 | 57,474 |
| Qualified XII (1.05) | 166.431 | 5.75 | 957 |
| Qualified XII (1.10) | 334.452 | 5.75 | 1,923 |
| Qualified XII (1.15) | 5.575 | 5.74 | 32 |
| Qualified XII (1.20) | 469.681 | 5.74 | 2,696 |
| Qualified XII (1.25) | 1,879.545 | 5.73 | 10,770 |
| Qualified XV | 128.022 | 5.57 | 713 |
| Qualified XVI | 546.470 | 5.55 | 3,033 |
| Qualified XXV | 64.211 | 5.58 | 358 |
| Qualified XXXVIII | 47.763 | 5.61 | 268 |
| Qualified LIII | 884.506 | 5.59 | 4,944 |
| Qualified LIV | 790.699 | 5.58 | 4,412 |
| | <u>56,981.317</u> | | <u>\$ 324,242</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| <u>Division/Contract</u> | <u>Units</u> | <u>Unit Value</u> | <u>Extended Value</u> |
|----------------------------------------------------------------|--------------------|-------------------|-----------------------|
| The Bond Fund of AmericaSM, Inc. - Class R-4 | | | |
| Contracts in accumulation period: | | | |
| Qualified VI | 82,234.641 | \$ 8.70 | \$ 715,441 |
| Qualified XII (0.30) | 136.322 | 8.75 | 1,193 |
| Qualified XII (0.40) | 1,903.399 | 8.74 | 16,636 |
| Qualified XII (0.50) | 1,853.725 | 8.74 | 16,202 |
| Qualified XII (0.55) | 54.273 | 8.73 | 474 |
| Qualified XII (0.60) | 357.377 | 8.73 | 3,120 |
| Qualified XII (0.65) | 783.233 | 8.73 | 6,838 |
| Qualified XII (0.70) | 761.706 | 8.73 | 6,650 |
| Qualified XII (0.75) | 20,904.534 | 8.72 | 182,288 |
| Qualified XII (0.80) | 13,168.701 | 8.72 | 114,831 |
| Qualified XII (0.85) | 24,007.122 | 8.72 | 209,342 |
| Qualified XII (0.90) | 961.915 | 8.71 | 8,378 |
| Qualified XII (0.95) | 12,918.268 | 8.71 | 112,518 |
| Qualified XII (1.00) | 40,459.385 | 8.71 | 352,401 |
| Qualified XII (1.05) | 375.247 | 8.71 | 3,268 |
| Qualified XII (1.10) | 5,339.917 | 8.70 | 46,457 |
| Qualified XII (1.15) | 3,460.989 | 8.70 | 30,111 |
| Qualified XII (1.20) | 3,389.545 | 8.70 | 29,489 |
| Qualified XII (1.25) | 1,634.444 | 8.70 | 14,220 |
| Qualified XII (1.35) | 0.381 | 8.69 | 3 |
| Qualified XII (1.40) | 60.878 | 8.69 | 529 |
| Qualified XII (1.45) | 39.608 | 8.68 | 344 |
| Qualified XV | 668.380 | 8.71 | 5,822 |
| Qualified XVI | 336.695 | 8.68 | 2,923 |
| Qualified XXVI | 13.310 | 8.71 | 116 |
| Qualified XXXVIII | 4.617 | 8.77 | 40 |
| Qualified LIII | 16.072 | 8.74 | 140 |
| Qualified LIV | 5,683.789 | 8.72 | 49,563 |
| | <u>221,528.473</u> | | <u>\$ 1,929,337</u> |
| Calvert Social Balanced Portfolio | | | |
| Currently payable annuity contracts: | 9,957.727 | \$7.95 to \$8.55 | \$ 84,364 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 842.457 | 8.34 | 7,026 |
| Qualified V | 485.528 | 16.90 | 8,205 |
| Qualified VI | 623,035.692 | 16.83 | 10,485,691 |
| Qualified VIII | 5,009.135 | 15.28 | 76,540 |
| Qualified X (1.15) | 5,010.648 | 8.72 | 43,693 |
| Qualified X (1.25) | 63,181.760 | 8.63 | 545,259 |
| Qualified XII (0.00) | 785.823 | 10.00 | 7,858 |
| Qualified XII (0.05) | 6,590.400 | 18.48 | 121,791 |
| Qualified XII (0.20) | 3,290.328 | 9.79 | 32,212 |
| Qualified XII (0.25) | 99.966 | 9.74 | 974 |
| Qualified XII (0.30) | 7,775.976 | 9.69 | 75,349 |
| Qualified XII (0.35) | 210.737 | 9.64 | 2,032 |
| Qualified XII (0.40) | 5,470.827 | 13.40 | 73,309 |
| Qualified XII (0.50) | 11,277.386 | 9.71 | 109,503 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---------------------------------------------------------------|----------------------|-------------------|-----------------------|
| Calvert Social Balanced Portfolio (continued) | | | |
| Qualified XII (0.55) | 9,755.015 | \$ 9.44 | \$ 92,087 |
| Qualified XII (0.60) | 17,132.674 | 9.39 | 160,876 |
| Qualified XII (0.65) | 61,197.758 | 9.34 | 571,587 |
| Qualified XII (0.70) | 86,794.771 | 9.29 | 806,323 |
| Qualified XII (0.75) | 63,654.731 | 9.24 | 588,170 |
| Qualified XII (0.80) | 100,175.518 | 9.67 | 968,697 |
| Qualified XII (0.85) | 139,551.037 | 12.83 | 1,790,440 |
| Qualified XII (0.90) | 9,420.914 | 9.50 | 89,499 |
| Qualified XII (0.95) | 117,437.198 | 12.67 | 1,487,929 |
| Qualified XII (1.00) | 274,305.777 | 12.59 | 3,453,510 |
| Qualified XII (1.05) | 12,995.786 | 12.51 | 162,577 |
| Qualified XII (1.10) | 34,686.078 | 12.43 | 431,148 |
| Qualified XII (1.15) | 11,283.081 | 12.35 | 139,346 |
| Qualified XII (1.20) | 6,664.840 | 12.28 | 81,844 |
| Qualified XII (1.25) | 35,566.454 | 12.20 | 433,911 |
| Qualified XII (1.30) | 245.851 | 12.12 | 2,980 |
| Qualified XII (1.35) | 2,661.819 | 12.05 | 32,075 |
| Qualified XII (1.40) | 15,212.955 | 11.97 | 182,099 |
| Qualified XII (1.45) | 2,076.890 | 11.89 | 24,694 |
| Qualified XII (1.50) | 177.629 | 11.82 | 2,100 |
| Qualified XV | 3,789.186 | 17.45 | 66,121 |
| Qualified XVI | 29,852.889 | 16.34 | 487,796 |
| Qualified XVII | 510.899 | 16.83 | 8,598 |
| Qualified XVIII | 4,332.574 | 8.63 | 37,390 |
| Qualified XXV | 4,075.676 | 17.54 | 71,487 |
| Qualified XXVII | 403,348.769 | 22.80 | 9,196,352 |
| Qualified XXVIII | 102,579.385 | 22.60 | 2,318,294 |
| Qualified XXXII | 490.067 | 8.42 | 4,126 |
| Qualified XXXVI | 533.882 | 8.80 | 4,698 |
| Qualified XXXVIII | 57,871.735 | 6.80 | 393,528 |
| Qualified LVI | 5,775.699 | 8.26 | 47,707 |
| Qualified LIII | 1,955.363 | 8.23 | 16,093 |
| Qualified LIV | 7,659.781 | 8.17 | 62,580 |
| | <u>2,366,797.071</u> | | <u>\$ 35,890,468</u> |
| ColumbiaSM Acorn Fund[®] - Class Z | | | |
| Contracts in accumulation period: | | | |
| Qualified VI | 1,927.563 | \$ 6.34 | \$ 12,221 |
| Qualified XV | 579.841 | 6.35 | 3,682 |
| Qualified XLII | 123,561.124 | 6.39 | 789,556 |
| Qualified XLIII | 271.413 | 6.37 | 1,729 |
| | <u>126,339.941</u> | | <u>\$ 807,188</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| <u>Division/Contract</u> | <u>Units</u> | <u>Unit Value</u> | <u>Extended Value</u> |
|----------------------------------------------|--------------------|-------------------|-----------------------|
| Columbia Mid Cap Value Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP9 | 493.426 | \$ 6.11 | \$ 3,015 |
| ING MAP PLUS NP15 | 53.581 | 6.09 | 326 |
| ING MAP PLUS NP28 | 178.468 | 6.07 | 1,083 |
| Qualified VI | 16,917.712 | 6.08 | 102,860 |
| Qualified XII (0.00) | 1,776.656 | 6.13 | 10,891 |
| Qualified XII (0.30) | 649.706 | 6.12 | 3,976 |
| Qualified XII (0.50) | 239.064 | 6.11 | 1,461 |
| Qualified XII (0.55) | 1,035.386 | 6.11 | 6,326 |
| Qualified XII (0.60) | 81.669 | 6.11 | 499 |
| Qualified XII (0.65) | 23.959 | 6.10 | 146 |
| Qualified XII (0.70) | 17.275 | 6.10 | 105 |
| Qualified XII (0.75) | 1,333.552 | 6.10 | 8,135 |
| Qualified XII (0.80) | 1,033.082 | 6.10 | 6,302 |
| Qualified XII (0.85) | 7,723.462 | 6.10 | 47,113 |
| Qualified XII (0.90) | 173.305 | 6.09 | 1,055 |
| Qualified XII (0.95) | 1,681.514 | 6.09 | 10,240 |
| Qualified XII (1.00) | 44,363.897 | 6.09 | 270,176 |
| Qualified XII (1.10) | 1,664.452 | 6.09 | 10,137 |
| Qualified XII (1.15) | 1,633.058 | 6.08 | 9,929 |
| Qualified XII (1.20) | 1,085.972 | 6.08 | 6,603 |
| Qualified XII (1.25) | 1,165.776 | 6.08 | 7,088 |
| Qualified XXI | 168,795.015 | 6.10 | 1,029,650 |
| Qualified XXV | 285.610 | 6.10 | 1,742 |
| Qualified XXVI | 4.194 | 6.09 | 26 |
| Qualified LIII | 452.872 | 6.11 | 2,767 |
| Qualified LIV | 5,054.405 | 6.10 | 30,832 |
| Qualified LVI | 398.250 | 6.12 | 2,437 |
| | <u>258,315.318</u> | | <u>\$ 1,574,920</u> |
| Columbia Mid Cap Value Fund - Class Z | | | |
| Contracts in accumulation period: | | | |
| Qualified XLII | 89,751.992 | 6.14 | 551,077 |
| Qualified LIV | 1,630.339 | \$ 6.11 | \$ 9,961 |
| | <u>91,382.331</u> | | <u>\$ 561,038</u> |
| DWS Equity 500 Index Fund - Class S | | | |
| Contracts in accumulation period: | | | |
| Qualified XII (1.00) | 17,680.032 | \$ 9.51 | \$ 168,137 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---------------------------------------------|--------------------|-------------------|-----------------------|
| EuroPacific Growth Fund® - Class R-3 | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 73,097.230 | \$ 11.98 | \$ 875,705 |
| ING MAP PLUS NP4 | 20,169.731 | 11.89 | 239,818 |
| ING MAP PLUS NP6 | 29,507.784 | 11.83 | 349,077 |
| ING MAP PLUS NP8 | 86,788.390 | 11.77 | 1,021,499 |
| ING MAP PLUS NP9 | 54,286.561 | 11.74 | 637,324 |
| ING MAP PLUS NP10 | 9,008.990 | 11.71 | 105,495 |
| ING MAP PLUS NP11 | 28,231.565 | 11.69 | 330,027 |
| ING MAP PLUS NP12 | 22,504.669 | 11.66 | 262,404 |
| ING MAP PLUS NP13 | 8,988.259 | 11.63 | 104,533 |
| ING MAP PLUS NP14 | 56,412.028 | 11.60 | 654,380 |
| ING MAP PLUS NP15 | 70,564.979 | 11.57 | 816,437 |
| ING MAP PLUS NP16 | 29,008.234 | 11.54 | 334,755 |
| ING MAP PLUS NP17 | 19,775.667 | 11.52 | 227,816 |
| ING MAP PLUS NP18 | 2,740.306 | 11.49 | 31,486 |
| ING MAP PLUS NP19 | 21,096.061 | 11.46 | 241,761 |
| ING MAP PLUS NP20 | 391.487 | 11.43 | 4,475 |
| ING MAP PLUS NP21 | 17,628.519 | 11.40 | 200,965 |
| ING MAP PLUS NP22 | 13,673.294 | 11.37 | 155,465 |
| ING MAP PLUS NP23 | 23,617.788 | 11.35 | 268,062 |
| ING MAP PLUS NP24 | 5,113.069 | 11.32 | 57,880 |
| ING MAP PLUS NP25 | 204.993 | 11.29 | 2,314 |
| ING MAP PLUS NP26 | 9,893.079 | 11.26 | 111,396 |
| ING MAP PLUS NP28 | 11,907.452 | 11.21 | 133,483 |
| ING MAP PLUS NP29 | 4,073.167 | 11.18 | 45,538 |
| ING MAP PLUS NP30 | 1,889.916 | 11.15 | 21,073 |
| ING MAP PLUS NP32 | 1,381.716 | 11.10 | 15,337 |
| ING MAP PLUS NP36 | 343.555 | 10.99 | 3,776 |
| | <u>622,298.489</u> | | <u>\$ 7,252,281</u> |
| EuroPacific Growth Fund® - Class R-4 | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 12,699.257 | \$ 11.82 | \$ 150,105 |
| Qualified V | 2,530.130 | 11.27 | 28,515 |
| Qualified VI | 3,083,530.379 | 11.35 | 34,998,070 |
| Qualified XII (0.00) | 24,302.083 | 12.03 | 292,354 |
| Qualified XII (0.05) | 252,788.818 | 12.00 | 3,033,466 |
| Qualified XII (0.10) | 66.169 | 11.98 | 793 |
| Qualified XII (0.25) | 258.760 | 11.89 | 3,077 |
| Qualified XII (0.30) | 197,718.831 | 11.86 | 2,344,945 |
| Qualified XII (0.35) | 3,482.182 | 11.84 | 41,229 |
| Qualified XII (0.40) | 39,583.838 | 11.81 | 467,485 |
| Qualified XII (0.50) | 1,541,792.983 | 11.75 | 18,116,068 |
| Qualified XII (0.55) | 119,192.448 | 11.73 | 1,398,127 |
| Qualified XII (0.60) | 48,805.382 | 11.70 | 571,023 |
| Qualified XII (0.65) | 247,467.308 | 11.67 | 2,887,943 |
| Qualified XII (0.70) | 297,411.430 | 11.65 | 3,464,843 |
| Qualified XII (0.75) | 953,033.541 | 11.62 | 11,074,250 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---------------------------------------------------------|-----------------------|-------------------|-----------------------|
| EuroPacific Growth Fund® - Class R-4 (continued) | | | |
| Qualified XII (0.80) | 571,656.608 | \$ 11.59 | \$ 6,625,500 |
| Qualified XII (0.85) | 457,663.593 | 11.56 | 5,290,591 |
| Qualified XII (0.90) | 48,357.953 | 11.54 | 558,051 |
| Qualified XII (0.95) | 450,088.871 | 11.51 | 5,180,523 |
| Qualified XII (1.00) | 2,509,419.156 | 11.48 | 28,808,132 |
| Qualified XII (1.05) | 66,849.757 | 11.46 | 766,098 |
| Qualified XII (1.10) | 66,317.801 | 11.43 | 758,012 |
| Qualified XII (1.15) | 128,680.898 | 11.40 | 1,466,962 |
| Qualified XII (1.20) | 9,980.151 | 11.38 | 113,574 |
| Qualified XII (1.25) | 127,676.334 | 11.35 | 1,449,126 |
| Qualified XII (1.30) | 559.694 | 11.32 | 6,336 |
| Qualified XII (1.35) | 4,955.935 | 11.30 | 56,002 |
| Qualified XII (1.40) | 17,474.067 | 11.27 | 196,933 |
| Qualified XII (1.45) | 1,623.763 | 11.24 | 18,251 |
| Qualified XII (1.50) | 808.946 | 11.22 | 9,076 |
| Qualified XV | 8,650.940 | 11.51 | 99,572 |
| Qualified XVI | 68,762.362 | 11.22 | 771,514 |
| Qualified XVII | 604.380 | 11.44 | 6,914 |
| Qualified XXI | 27,027.068 | 11.59 | 313,244 |
| Qualified XXV | 11,207.015 | 11.63 | 130,338 |
| Qualified XXVI | 2,133.031 | 11.56 | 24,658 |
| Qualified XXVII | 2,180,851.956 | 10.10 | 22,026,605 |
| Qualified XXXIII (0.65) | 2,092.970 | 12.16 | 25,451 |
| Qualified XXXVIII | 72,952.808 | 5.89 | 429,692 |
| Qualified XLIII | 5,628.306 | 5.88 | 33,094 |
| Qualified LIII | 10,110.433 | 10.45 | 105,654 |
| Qualified LIV | 136,956.741 | 10.38 | 1,421,611 |
| Qualified LVI | 15,538.717 | 10.50 | 163,157 |
| Qualified LIX | 2,624.624 | 11.85 | 31,102 |
| | <u>13,831,918.417</u> | | <u>\$ 155,758,066</u> |
| Evergreen Special Values Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP8 | 3,368.293 | \$ 9.58 | \$ 32,268 |
| ING MAP PLUS NP9 | 5,092.119 | 9.55 | 48,630 |
| ING MAP PLUS NP11 | 967.550 | 9.51 | 9,201 |
| ING MAP PLUS NP14 | 133.779 | 9.44 | 1,263 |
| ING MAP PLUS NP16 | 29.188 | 9.39 | 274 |
| ING MAP PLUS NP17 | 6,068.212 | 9.37 | 56,859 |
| ING MAP PLUS NP19 | 5,059.803 | 9.32 | 47,157 |
| ING MAP PLUS NP25 | 1,802.764 | 9.18 | 16,549 |
| ING MAP PLUS NP26 | 1,515.754 | 9.16 | 13,884 |
| ING MAP PLUS NP27 | 240.894 | 9.14 | 2,202 |
| Qualified V | 717.558 | 14.36 | 10,304 |
| Qualified VI | 800,543.014 | 14.55 | 11,647,901 |
| Qualified XII (0.10) | 14.401 | 16.03 | 231 |
| Qualified XII (0.30) | 52,238.502 | 15.76 | 823,279 |
| Qualified XII (0.40) | 23,182.473 | 15.63 | 362,342 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--------------------------------------------------------------|----------------------|-------------------|-----------------------|
| Evergreen Special Values Fund - Class A (continued) | | | |
| Qualified XII (0.50) | 6,633.638 | \$ 15.50 | \$ 102,821 |
| Qualified XII (0.55) | 19,571.086 | 15.43 | 301,982 |
| Qualified XII (0.60) | 12,045.427 | 15.37 | 185,138 |
| Qualified XII (0.65) | 2,997.688 | 15.30 | 45,865 |
| Qualified XII (0.70) | 29,935.576 | 15.24 | 456,218 |
| Qualified XII (0.75) | 204,611.032 | 15.18 | 3,105,995 |
| Qualified XII (0.80) | 13,390.680 | 15.11 | 202,333 |
| Qualified XII (0.85) | 102,484.348 | 15.05 | 1,542,389 |
| Qualified XII (0.90) | 36,985.509 | 14.99 | 554,413 |
| Qualified XII (0.95) | 105,233.275 | 14.92 | 1,570,080 |
| Qualified XII (1.00) | 555,936.045 | 14.86 | 8,261,210 |
| Qualified XII (1.05) | 34,945.377 | 14.80 | 517,192 |
| Qualified XII (1.10) | 20,994.858 | 14.74 | 309,464 |
| Qualified XII (1.15) | 46,123.181 | 14.68 | 677,088 |
| Qualified XII (1.20) | 5,470.192 | 14.61 | 79,920 |
| Qualified XII (1.25) | 38,157.158 | 14.55 | 555,187 |
| Qualified XII (1.30) | 3,296.159 | 14.49 | 47,761 |
| Qualified XII (1.35) | 82.699 | 14.43 | 1,193 |
| Qualified XII (1.40) | 3,075.493 | 14.37 | 44,195 |
| Qualified XII (1.45) | 786.008 | 14.31 | 11,248 |
| Qualified XII (1.50) | 20.685 | 14.25 | 295 |
| Qualified XVI | 15,303.832 | 14.25 | 218,080 |
| Qualified XVII | 406.810 | 14.55 | 5,919 |
| Qualified XXXVII | 2,033,089.813 | 14.72 | 29,927,082 |
| Qualified XXXVIII | 1,509.081 | 6.42 | 9,688 |
| Qualified LIV | 40,773.515 | 8.61 | 351,060 |
| | <u>4,234,833.469</u> | | <u>\$ 62,156,160</u> |
| Fidelity® VIP Equity-Income Portfolio - Initial Class | | | |
| Currently payable annuity contracts: | 281,683.616 | \$7.51 to \$8.37 | \$ 2,352,491 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 1,747.676 | 7.96 | 13,912 |
| ING MAP PLUS NP1 | 13,255.538 | 8.00 | 106,044 |
| ING MAP PLUS NP8 | 13,546.646 | 7.86 | 106,477 |
| ING MAP PLUS NP9 | 5,035.814 | 7.84 | 39,481 |
| ING MAP PLUS NP11 | 10,882.473 | 7.80 | 84,883 |
| ING MAP PLUS NP12 | 27,356.222 | 7.78 | 212,831 |
| ING MAP PLUS NP13 | 108.394 | 7.76 | 841 |
| ING MAP PLUS NP14 | 1,381.769 | 7.74 | 10,695 |
| ING MAP PLUS NP15 | 8,676.124 | 7.73 | 67,066 |
| ING MAP PLUS NP16 | 990.649 | 7.71 | 7,638 |
| ING MAP PLUS NP19 | 8,371.080 | 7.65 | 64,039 |
| ING MAP PLUS NP21 | 17.635 | 7.61 | 134 |
| ING MAP PLUS NP22 | 1,980.781 | 7.59 | 15,034 |
| ING MAP PLUS NP23 | 8,301.016 | 7.57 | 62,839 |
| ING MAP PLUS NP24 | 768.463 | 7.56 | 5,810 |
| ING MAP PLUS NP25 | 831.849 | 7.54 | 6,272 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|------------------------------------------------------------------------------|---------------|-------------------|-----------------------|
| Fidelity® VIP Equity-Income Portfolio - Initial Class (continued) | | | |
| ING MAP PLUS NP26 | 3,798.565 | \$ 7.52 | \$ 28,565 |
| ING MAP PLUS NP28 | 3,199.154 | 7.48 | 23,930 |
| ING MAP PLUS NP29 | 2,701.847 | 7.46 | 20,156 |
| ING MAP PLUS NP30 | 1,933.693 | 7.45 | 14,406 |
| ING MAP PLUS NP32 | 27.238 | 7.41 | 202 |
| ING MAP PLUS NP36 | 971.309 | 7.34 | 7,129 |
| Qualified V | 2,360.686 | 14.73 | 34,773 |
| Qualified VI | 3,663,836.011 | 15.10 | 55,323,924 |
| Qualified VIII | 5,813.772 | 15.03 | 87,381 |
| Qualified X (1.15) | 275,725.304 | 19.17 | 5,285,654 |
| Qualified X (1.25) | 309,037.727 | 18.89 | 5,837,723 |
| Qualified XII (0.00) | 25,570.614 | 9.80 | 250,592 |
| Qualified XII (0.05) | 134,256.917 | 16.59 | 2,227,322 |
| Qualified XII (0.10) | 321.593 | 9.69 | 3,116 |
| Qualified XII (0.20) | 60,756.209 | 9.59 | 582,652 |
| Qualified XII (0.25) | 11,805.416 | 9.54 | 112,624 |
| Qualified XII (0.30) | 292,020.925 | 9.49 | 2,771,279 |
| Qualified XII (0.35) | 11,582.174 | 9.44 | 109,336 |
| Qualified XII (0.40) | 125,190.309 | 14.30 | 1,790,221 |
| Qualified XII (0.45) | 47.227 | 9.34 | 441 |
| Qualified XII (0.50) | 1,444,799.374 | 9.66 | 13,956,762 |
| Qualified XII (0.55) | 142,179.299 | 9.24 | 1,313,737 |
| Qualified XII (0.60) | 83,732.898 | 9.19 | 769,505 |
| Qualified XII (0.65) | 398,153.865 | 9.14 | 3,639,126 |
| Qualified XII (0.70) | 343,186.738 | 9.09 | 3,119,567 |
| Qualified XII (0.75) | 460,360.136 | 9.05 | 4,166,259 |
| Qualified XII (0.80) | 864,138.844 | 9.82 | 8,485,843 |
| Qualified XII (0.85) | 442,827.336 | 13.70 | 6,066,735 |
| Qualified XII (0.90) | 57,482.485 | 9.56 | 549,533 |
| Qualified XII (0.95) | 721,774.214 | 13.53 | 9,765,605 |
| Qualified XII (1.00) | 1,319,771.083 | 13.44 | 17,737,723 |
| Qualified XII (1.05) | 125,298.708 | 13.36 | 1,673,991 |
| Qualified XII (1.10) | 142,173.164 | 13.27 | 1,886,638 |
| Qualified XII (1.15) | 132,451.011 | 13.19 | 1,747,029 |
| Qualified XII (1.20) | 42,895.330 | 13.11 | 562,358 |
| Qualified XII (1.25) | 156,680.184 | 13.02 | 2,039,976 |
| Qualified XII (1.30) | 9,766.014 | 12.94 | 126,372 |
| Qualified XII (1.35) | 2,620.621 | 12.86 | 33,701 |
| Qualified XII (1.40) | 18,963.088 | 12.78 | 242,348 |
| Qualified XII (1.45) | 8,034.228 | 12.70 | 102,035 |
| Qualified XII (1.50) | 2,271.189 | 12.62 | 28,662 |
| Qualified XV | 28,603.612 | 15.65 | 447,647 |
| Qualified XVI | 124,935.314 | 14.66 | 1,831,552 |
| Qualified XVII | 2,552.451 | 15.10 | 38,542 |
| Qualified XVIII | 16,919.646 | 18.89 | 319,612 |
| Qualified XXV | 17,196.219 | 15.73 | 270,497 |
| Qualified XXVI | 9,292.551 | 15.54 | 144,406 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|------------------------------------------------------------------------------|-----------------------|-------------------|-----------------------|
| Fidelity® VIP Equity-Income Portfolio - Initial Class (continued) | | | |
| Qualified XXVII | 1,985,243.381 | \$ 16.14 | \$ 32,041,828 |
| Qualified XXVIII | 1,243,575.268 | 16.00 | 19,897,204 |
| Qualified XXXII | 22,881.557 | 8.15 | 186,485 |
| Qualified XXXVI | 33,843.129 | 8.51 | 288,005 |
| Qualified XXXVIII | 65,062.022 | 5.48 | 356,540 |
| Qualified XLIII | 12,675.910 | 5.46 | 69,210 |
| Qualified LIII | 82,882.919 | 7.68 | 636,541 |
| Qualified LIV | 63,468.779 | 7.63 | 484,267 |
| Qualified LVI | 68,689.693 | 7.71 | 529,598 |
| Qualified LIX | 10,202.456 | 8.59 | 87,639 |
| | <u>16,023,477.151</u> | | <u>\$ 213,310,991</u> |
| Fidelity® VIP Growth Portfolio - Initial Class | | | |
| Currently payable annuity contracts: | 54,070.884 | \$ 7.67 | \$ 414,724 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 4,448.433 | 7.71 | 34,297 |
| ING MAP PLUS NP1 | 11,648.697 | 7.39 | 86,084 |
| ING MAP PLUS NP9 | 1,935.207 | 7.25 | 14,030 |
| ING MAP PLUS NP11 | 4,255.577 | 7.21 | 30,683 |
| ING MAP PLUS NP21 | 3,414.697 | 7.04 | 24,039 |
| ING MAP PLUS NP23 | 1,868.481 | 7.00 | 13,079 |
| ING MAP PLUS NP25 | 994.996 | 6.97 | 6,935 |
| ING MAP PLUS NP26 | 903.114 | 6.95 | 6,277 |
| ING MAP PLUS NP30 | 90.062 | 6.89 | 621 |
| Qualified V | 938.779 | 12.28 | 11,528 |
| Qualified VI | 4,753,254.647 | 12.40 | 58,940,358 |
| Qualified VIII | 6,672.295 | 12.54 | 83,671 |
| Qualified X (1.15) | 319,697.004 | 17.49 | 5,591,501 |
| Qualified X (1.25) | 369,712.363 | 17.24 | 6,373,841 |
| Qualified XII (0.00) | 29,445.853 | 8.95 | 263,540 |
| Qualified XII (0.05) | 28,403.873 | 13.62 | 386,861 |
| Qualified XII (0.10) | 194.225 | 8.86 | 1,721 |
| Qualified XII (0.20) | 73,657.216 | 8.76 | 645,237 |
| Qualified XII (0.25) | 8,551.658 | 8.72 | 74,570 |
| Qualified XII (0.30) | 409,764.859 | 8.67 | 3,552,661 |
| Qualified XII (0.35) | 25,554.167 | 8.63 | 220,532 |
| Qualified XII (0.40) | 59,880.254 | 12.35 | 739,521 |
| Qualified XII (0.45) | 277.836 | 8.53 | 2,370 |
| Qualified XII (0.50) | 327,083.383 | 8.91 | 2,914,313 |
| Qualified XII (0.55) | 227,708.378 | 8.44 | 1,921,859 |
| Qualified XII (0.60) | 222,467.302 | 8.40 | 1,868,725 |
| Qualified XII (0.65) | 757,025.953 | 8.35 | 6,321,167 |
| Qualified XII (0.70) | 393,530.369 | 8.31 | 3,270,237 |
| Qualified XII (0.75) | 639,980.883 | 8.27 | 5,292,642 |
| Qualified XII (0.80) | 645,218.893 | 9.01 | 5,813,422 |
| Qualified XII (0.85) | 732,400.454 | 11.83 | 8,664,297 |
| Qualified XII (0.90) | 71,973.515 | 8.70 | 626,170 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|------------------------------------------------------------|-----------------------|-------------------|-----------------------|
| Fidelity® VIP Growth Portfolio - Initial Class | | | |
| (continued) | | | |
| Qualified XII (0.95) | 635,450.280 | \$ 11.68 | \$ 7,422,059 |
| Qualified XII (1.00) | 1,795,843.944 | 11.60 | 20,831,790 |
| Qualified XII (1.05) | 104,015.605 | 11.53 | 1,199,300 |
| Qualified XII (1.10) | 200,468.654 | 11.46 | 2,297,371 |
| Qualified XII (1.15) | 137,893.569 | 11.39 | 1,570,608 |
| Qualified XII (1.20) | 59,659.739 | 11.31 | 674,752 |
| Qualified XII (1.25) | 134,845.488 | 11.24 | 1,515,663 |
| Qualified XII (1.30) | 10,510.198 | 11.17 | 117,399 |
| Qualified XII (1.35) | 9,925.465 | 11.10 | 110,173 |
| Qualified XII (1.40) | 23,970.782 | 11.03 | 264,398 |
| Qualified XII (1.45) | 6,224.118 | 10.96 | 68,216 |
| Qualified XII (1.50) | 6,515.799 | 10.89 | 70,957 |
| Qualified XV | 33,603.552 | 12.85 | 431,806 |
| Qualified XVI | 146,277.500 | 12.04 | 1,761,181 |
| Qualified XVII | 2,772.702 | 12.40 | 34,382 |
| Qualified XVIII | 22,296.882 | 17.24 | 384,398 |
| Qualified XXI | 95,499.201 | 13.04 | 1,245,310 |
| Qualified XXV | 46,505.834 | 12.92 | 600,855 |
| Qualified XXVI | 20,053.927 | 12.76 | 255,888 |
| Qualified XXXII | 26,649.735 | 7.61 | 202,804 |
| Qualified XXXVI | 41,426.123 | 7.07 | 292,883 |
| Qualified XXXVIII | 159,854.829 | 5.16 | 824,851 |
| Qualified XLIII | 23,297.691 | 5.14 | 119,750 |
| Qualified LIII | 118,136.633 | 8.02 | 947,456 |
| Qualified LIV | 66,033.146 | 7.97 | 526,284 |
| Qualified LVI | 107,871.241 | 8.05 | 868,363 |
| Qualified LIX | 34,308.499 | 7.13 | 244,620 |
| | <u>14,256,935.443</u> | | <u>\$ 159,095,030</u> |
| Fidelity® VIP High Income Portfolio - Initial Class | | | |
| Currently payable annuity contracts: | 6,417.612 | \$7.94 to \$8.31 | \$ 53,294 |
| Contracts in accumulation period: | | | |
| Qualified XXVII | 491,879.034 | 7.65 | 3,762,875 |
| Qualified XXVIII | 158,302.706 | 7.58 | 1,199,935 |
| | <u>656,599.352</u> | | <u>\$ 5,016,104</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| <u>Division/Contract</u> | <u>Units</u> | <u>Unit Value</u> | <u>Extended Value</u> |
|---------------------------------------------------------|----------------------|-------------------|-----------------------|
| Fidelity® VIP Overseas Portfolio - Initial Class | | | |
| Contracts in accumulation period: | | | |
| Qualified V | 722.811 | \$ 12.92 | \$ 9,339 |
| Qualified VI | 762,219.628 | 13.20 | 10,061,299 |
| Qualified VIII | 645.153 | 13.18 | 8,503 |
| Qualified X (1.15) | 75,548.030 | 13.80 | 1,042,563 |
| Qualified X (1.25) | 95,291.706 | 13.60 | 1,295,967 |
| Qualified XII (0.00) | 3,365.685 | 10.37 | 34,902 |
| Qualified XII (0.05) | 42,653.783 | 14.49 | 618,053 |
| Qualified XII (0.20) | 39,505.860 | 10.15 | 400,984 |
| Qualified XII (0.25) | 3,419.266 | 10.10 | 34,535 |
| Qualified XII (0.30) | 46,046.506 | 10.04 | 462,307 |
| Qualified XII (0.35) | 6,359.448 | 9.99 | 63,531 |
| Qualified XII (0.40) | 14,940.461 | 13.85 | 206,925 |
| Qualified XII (0.45) | 15.861 | 9.88 | 157 |
| Qualified XII (0.50) | 50,711.924 | 10.60 | 537,546 |
| Qualified XII (0.55) | 19,242.475 | 9.78 | 188,191 |
| Qualified XII (0.60) | 8,352.945 | 9.73 | 81,274 |
| Qualified XII (0.65) | 204,170.979 | 9.68 | 1,976,375 |
| Qualified XII (0.70) | 41,797.774 | 9.62 | 402,095 |
| Qualified XII (0.75) | 84,325.558 | 9.57 | 806,996 |
| Qualified XII (0.80) | 139,619.531 | 10.64 | 1,485,552 |
| Qualified XII (0.85) | 126,656.296 | 13.27 | 1,680,729 |
| Qualified XII (0.90) | 11,257.180 | 10.55 | 118,763 |
| Qualified XII (0.95) | 66,559.139 | 13.10 | 871,925 |
| Qualified XII (1.00) | 136,696.412 | 13.02 | 1,779,787 |
| Qualified XII (1.05) | 13,669.223 | 12.94 | 176,880 |
| Qualified XII (1.10) | 23,844.069 | 12.85 | 306,396 |
| Qualified XII (1.15) | 17,837.109 | 12.77 | 227,780 |
| Qualified XII (1.20) | 9,198.076 | 12.69 | 116,724 |
| Qualified XII (1.25) | 27,668.309 | 12.61 | 348,897 |
| Qualified XII (1.30) | 2,712.595 | 12.53 | 33,989 |
| Qualified XII (1.35) | 645.773 | 12.45 | 8,040 |
| Qualified XII (1.40) | 4,484.206 | 12.38 | 55,514 |
| Qualified XII (1.45) | 191.563 | 12.30 | 2,356 |
| Qualified XII (1.50) | 1,145.993 | 12.22 | 14,004 |
| Qualified XV | 8,729.828 | 13.68 | 119,424 |
| Qualified XVI | 26,669.552 | 12.82 | 341,904 |
| Qualified XVII | 1,749.603 | 13.20 | 23,095 |
| Qualified XVIII | 4,637.865 | 13.60 | 63,075 |
| Qualified XXV | 5,770.022 | 13.75 | 79,338 |
| Qualified XXVI | 1,078.547 | 13.58 | 14,647 |
| Qualified XXVII | 396,703.152 | 7.41 | 2,939,570 |
| Qualified XXXII | 2,667.803 | 10.41 | 27,772 |
| Qualified XXXVI | 4,458.450 | 11.12 | 49,578 |
| Qualified XXXVIII | 20,252.127 | 5.51 | 111,589 |
| Qualified XLIII | 1,313.153 | 5.50 | 7,222 |
| Qualified LIII | 21,329.929 | 9.56 | 203,914 |
| Qualified LIV | 6,852.517 | 9.50 | 65,099 |
| Qualified LVI | 14,302.119 | 9.61 | 137,443 |
| Qualified LIX | 1,975.833 | 11.23 | 22,189 |
| | <u>2,600,011.827</u> | | <u>\$ 29,664,737</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|------------------------------------------------------------|---------------|-------------------|-----------------------|
| Fidelity® VIP Contrafund® Portfolio - Initial Class | | | |
| Currently payable annuity contracts: | 608,471.243 | \$ 9.93 | \$ 6,042,119 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 32,250.113 | 9.60 | 309,601 |
| ING MAP PLUS NP1 | 165,284.078 | 9.96 | 1,646,229 |
| ING MAP PLUS NP3 | 8,010.109 | 9.91 | 79,380 |
| ING MAP PLUS NP4 | 23,760.378 | 9.89 | 234,990 |
| ING MAP PLUS NP6 | 36,990.957 | 9.84 | 363,991 |
| ING MAP PLUS NP8 | 138,928.095 | 9.79 | 1,360,106 |
| ING MAP PLUS NP9 | 29,734.053 | 9.77 | 290,502 |
| ING MAP PLUS NP10 | 31,158.359 | 9.74 | 303,482 |
| ING MAP PLUS NP11 | 35,797.250 | 9.72 | 347,949 |
| ING MAP PLUS NP12 | 45,441.809 | 9.70 | 440,786 |
| ING MAP PLUS NP13 | 4,741.025 | 9.67 | 45,846 |
| ING MAP PLUS NP14 | 41,443.074 | 9.65 | 399,926 |
| ING MAP PLUS NP15 | 49,359.451 | 9.62 | 474,838 |
| ING MAP PLUS NP16 | 59,626.083 | 9.60 | 572,410 |
| ING MAP PLUS NP17 | 50,972.768 | 9.58 | 488,319 |
| ING MAP PLUS NP18 | 14,139.224 | 9.55 | 135,030 |
| ING MAP PLUS NP19 | 38,373.766 | 9.53 | 365,702 |
| ING MAP PLUS NP20 | 44,556.543 | 9.51 | 423,733 |
| ING MAP PLUS NP21 | 41,660.582 | 9.48 | 394,942 |
| ING MAP PLUS NP22 | 13,269.286 | 9.46 | 125,527 |
| ING MAP PLUS NP23 | 37,908.799 | 9.44 | 357,859 |
| ING MAP PLUS NP24 | 6,404.133 | 9.41 | 60,263 |
| ING MAP PLUS NP25 | 13,788.141 | 9.39 | 129,471 |
| ING MAP PLUS NP26 | 33,294.019 | 9.37 | 311,965 |
| ING MAP PLUS NP27 | 731.620 | 9.34 | 6,833 |
| ING MAP PLUS NP28 | 30,121.627 | 9.32 | 280,734 |
| ING MAP PLUS NP29 | 9,537.576 | 9.30 | 88,699 |
| ING MAP PLUS NP30 | 6,548.106 | 9.28 | 60,766 |
| ING MAP PLUS NP32 | 1,076.882 | 9.23 | 9,940 |
| ING MAP PLUS NP35 | 1,695.055 | 9.16 | 15,527 |
| ING MAP PLUS NP36 | 809.298 | 9.14 | 7,397 |
| Qualified V | 2,826.102 | 20.61 | 58,246 |
| Qualified VI | 8,286,539.192 | 20.92 | 173,354,400 |
| Qualified VIII | 5,872.307 | 21.04 | 123,553 |
| Qualified X (1.15) | 319,440.433 | 23.82 | 7,609,071 |
| Qualified X (1.25) | 593,820.158 | 23.50 | 13,954,774 |
| Qualified XII (0.00) | 48,834.559 | 13.91 | 679,289 |
| Qualified XII (0.00) | 1,238,584.164 | 8.16 | 10,106,847 |
| Qualified XII (0.05) | 443,452.942 | 22.98 | 10,190,549 |
| Qualified XII (0.10) | 183.227 | 13.77 | 2,523 |
| Qualified XII (0.20) | 211,178.899 | 13.62 | 2,876,257 |
| Qualified XII (0.25) | 20,555.303 | 13.55 | 278,524 |
| Qualified XII (0.30) | 694,988.545 | 13.48 | 9,368,446 |
| Qualified XII (0.35) | 25,934.632 | 13.41 | 347,783 |
| Qualified XII (0.40) | 150,860.253 | 20.69 | 3,121,299 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|----------------------------------------------------------------------------|-----------------------|-------------------|-----------------------|
| Fidelity® VIP Contrafund® Portfolio - Initial Class (continued) | | | |
| Qualified XII (0.45) | 1,473.375 | \$ 13.26 | \$ 19,537 |
| Qualified XII (0.50) | 2,189,446.620 | 13.78 | 30,170,574 |
| Qualified XII (0.55) | 360,448.799 | 13.12 | 4,729,088 |
| Qualified XII (0.60) | 275,711.147 | 13.05 | 3,598,030 |
| Qualified XII (0.65) | 796,911.818 | 12.99 | 10,351,885 |
| Qualified XII (0.70) | 797,104.900 | 12.92 | 10,298,595 |
| Qualified XII (0.75) | 1,521,976.631 | 12.85 | 19,557,400 |
| Qualified XII (0.80) | 1,739,497.372 | 14.05 | 24,439,938 |
| Qualified XII (0.85) | 884,693.075 | 19.82 | 17,534,617 |
| Qualified XII (0.90) | 217,735.663 | 13.58 | 2,956,850 |
| Qualified XII (0.95) | 4,412,465.345 | 19.57 | 86,351,947 |
| Qualified XII (1.00) | 3,541,959.877 | 19.45 | 68,891,120 |
| Qualified XII (1.05) | 219,261.167 | 19.33 | 4,238,318 |
| Qualified XII (1.10) | 238,469.566 | 19.20 | 4,578,616 |
| Qualified XII (1.15) | 419,212.921 | 19.08 | 7,998,583 |
| Qualified XII (1.20) | 53,125.016 | 18.96 | 1,007,250 |
| Qualified XII (1.25) | 332,768.721 | 18.84 | 6,269,363 |
| Qualified XII (1.30) | 7,531.745 | 18.72 | 140,994 |
| Qualified XII (1.35) | 4,196.958 | 18.61 | 78,105 |
| Qualified XII (1.40) | 36,107.142 | 18.49 | 667,621 |
| Qualified XII (1.45) | 10,582.388 | 18.37 | 194,398 |
| Qualified XII (1.50) | 6,546.319 | 18.26 | 119,536 |
| Qualified XIII | 1,958.351 | 21.72 | 42,535 |
| Qualified XV | 37,172.283 | 21.69 | 806,267 |
| Qualified XVI | 203,283.903 | 20.31 | 4,128,696 |
| Qualified XVII | 17,803.336 | 20.92 | 372,446 |
| Qualified XVIII | 29,551.938 | 23.50 | 694,471 |
| Qualified XXI | 145,938.081 | 22.00 | 3,210,638 |
| Qualified XXV | 41,808.539 | 21.80 | 911,426 |
| Qualified XXVI | 5,982.007 | 21.53 | 128,793 |
| Qualified XXVII | 4,704,381.455 | 24.16 | 113,657,856 |
| Qualified XXVIII | 1,380,039.543 | 23.94 | 33,038,147 |
| Qualified XXXII | 28,661.694 | 9.92 | 284,324 |
| Qualified XXXIII (0.65) | 103,341.286 | 11.33 | 1,170,857 |
| Qualified XXXVI | 59,293.066 | 11.41 | 676,534 |
| Qualified XXXVIII | 324,267.350 | 5.65 | 1,832,111 |
| Qualified XLIII | 73,289.310 | 5.64 | 413,352 |
| Qualified LIII | 297,491.043 | 8.90 | 2,647,670 |
| Qualified LIV | 422,623.643 | 8.84 | 3,735,993 |
| Qualified LVI | 189,808.532 | 8.94 | 1,696,888 |
| Qualified LIX | 32,695.793 | 11.52 | 376,656 |
| | <u>39,865,571.936</u> | | <u>\$ 722,264,448</u> |
| Fidelity® VIP Index 500 Portfolio - Initial Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXVII | 3,816,430.431 | \$ 18.22 | \$ 69,535,362 |
| Qualified XXVIII | 310,462.751 | 18.05 | 5,603,853 |
| | <u>4,126,893.182</u> | | <u>\$ 75,139,215</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| <u>Division/Contract</u> | <u>Units</u> | <u>Unit Value</u> | <u>Extended Value</u> |
|---------------------------------------------------------------------------|--------------------|-------------------|-----------------------|
| Fidelity® VIP Mid Cap Portfolio - Initial Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XII (0.00) | 935,267.924 | \$ 8.56 | \$ 8,005,893 |
| Fidelity® VIP Asset ManagerSM Portfolio - Initial Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXVII | 773,803.653 | \$ 16.10 | \$ 12,458,239 |
| Qualified XXVIII | 194,478.089 | 15.95 | 3,101,926 |
| | <u>968,281.742</u> | | <u>\$ 15,560,165</u> |
| Mutual Discovery Fund - Class R | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP8 | 25,072.974 | \$ 13.10 | \$ 328,456 |
| ING MAP PLUS NP9 | 21,454.142 | 13.07 | 280,406 |
| ING MAP PLUS NP11 | 19,734.354 | 13.01 | 256,744 |
| ING MAP PLUS NP12 | 8,470.716 | 12.98 | 109,950 |
| ING MAP PLUS NP14 | 2,928.651 | 12.91 | 37,809 |
| ING MAP PLUS NP15 | 11,046.394 | 12.88 | 142,278 |
| ING MAP PLUS NP16 | 2,706.220 | 12.85 | 34,775 |
| ING MAP PLUS NP17 | 5,219.083 | 12.82 | 66,909 |
| ING MAP PLUS NP18 | 14,642.513 | 12.79 | 187,278 |
| ING MAP PLUS NP19 | 14,654.118 | 12.75 | 186,840 |
| ING MAP PLUS NP20 | 21,156.834 | 12.72 | 269,115 |
| ING MAP PLUS NP21 | 2,679.277 | 12.69 | 34,000 |
| ING MAP PLUS NP22 | 94.227 | 12.66 | 1,193 |
| ING MAP PLUS NP23 | 3,777.607 | 12.63 | 47,711 |
| ING MAP PLUS NP24 | 2,555.989 | 12.60 | 32,205 |
| ING MAP PLUS NP25 | 1,129.290 | 12.57 | 14,195 |
| ING MAP PLUS NP26 | 475.002 | 12.54 | 5,957 |
| ING MAP PLUS NP27 | 229.464 | 12.51 | 2,871 |
| ING MAP PLUS NP28 | 1,521.464 | 12.48 | 18,988 |
| ING MAP PLUS NP29 | 662.035 | 12.45 | 8,242 |
| ING MAP PLUS NP32 | 64.904 | 12.35 | 802 |
| | <u>160,275.258</u> | | <u>\$ 2,066,724</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| <u>Division/Contract</u> | <u>Units</u> | <u>Unit Value</u> | <u>Extended Value</u> |
|-----------------------------------------------------------|-------------------|-------------------|-----------------------|
| Franklin Small-Mid Cap Growth Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP3 | 691.203 | \$ 8.27 | \$ 5,716 |
| ING MAP PLUS NP4 | 15,083.434 | 8.25 | 124,438 |
| ING MAP PLUS NP8 | 73.812 | 8.17 | 603 |
| ING MAP PLUS NP14 | 545.764 | 8.05 | 4,393 |
| ING MAP PLUS NP15 | 4,996.638 | 8.03 | 40,123 |
| ING MAP PLUS NP17 | 865.454 | 7.99 | 6,915 |
| ING MAP PLUS NP18 | 4,161.861 | 7.97 | 33,170 |
| ING MAP PLUS NP19 | 4.239 | 7.95 | 34 |
| ING MAP PLUS NP20 | 221.518 | 7.93 | 1,757 |
| ING MAP PLUS NP21 | 8,664.930 | 7.91 | 68,540 |
| ING MAP PLUS NP22 | 4,030.776 | 7.89 | 31,803 |
| ING MAP PLUS NP23 | 3,809.431 | 7.88 | 30,018 |
| ING MAP PLUS NP25 | 651.247 | 7.84 | 5,106 |
| ING MAP PLUS NP26 | 3,146.134 | 7.82 | 24,603 |
| ING MAP PLUS NP27 | 1,839.304 | 7.80 | 14,347 |
| ING MAP PLUS NP28 | 506.544 | 7.78 | 3,941 |
| ING MAP PLUS NP30 | 97.827 | 7.74 | 757 |
| ING MAP PLUS NP32 | 20.123 | 7.70 | 155 |
| | <u>49,410.239</u> | | <u>\$ 396,419</u> |
| Franklin Small Cap Value Securities Fund - Class 2 | | | |
| Currently payable annuity contracts: | 94,188.916 | \$ 10.27 | \$ 967,320 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 820.311 | 9.80 | 8,039 |
| ING MAP PLUS NP1 | 699.023 | 10.13 | 7,081 |
| ING MAP PLUS NP4 | 14,092.661 | 10.06 | 141,772 |
| ING MAP PLUS NP6 | 133.293 | 10.01 | 1,334 |
| ING MAP PLUS NP8 | 32,115.237 | 9.96 | 319,868 |
| ING MAP PLUS NP9 | 2,142.448 | 9.93 | 21,275 |
| ING MAP PLUS NP10 | 47.530 | 9.91 | 471 |
| ING MAP PLUS NP11 | 4,391.492 | 9.89 | 43,432 |
| ING MAP PLUS NP12 | 6,073.508 | 9.86 | 59,885 |
| ING MAP PLUS NP13 | 2,596.063 | 9.84 | 25,545 |
| ING MAP PLUS NP14 | 8,894.142 | 9.81 | 87,252 |
| ING MAP PLUS NP15 | 15,805.168 | 9.79 | 154,733 |
| ING MAP PLUS NP16 | 8,951.490 | 9.76 | 87,367 |
| ING MAP PLUS NP17 | 135.771 | 9.74 | 1,322 |
| ING MAP PLUS NP18 | 1,345.541 | 9.72 | 13,079 |
| ING MAP PLUS NP19 | 567.492 | 9.69 | 5,499 |
| ING MAP PLUS NP20 | 19,120.572 | 9.67 | 184,896 |
| ING MAP PLUS NP21 | 4,104.495 | 9.65 | 39,608 |
| ING MAP PLUS NP22 | 4,006.394 | 9.62 | 38,542 |
| ING MAP PLUS NP23 | 3,547.739 | 9.60 | 34,058 |
| ING MAP PLUS NP24 | 796.556 | 9.57 | 7,623 |
| ING MAP PLUS NP26 | 571.226 | 9.53 | 5,444 |
| ING MAP PLUS NP28 | 1,304.019 | 9.48 | 12,362 |
| ING MAP PLUS NP29 | 439.723 | 9.46 | 4,160 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---------------------------------------------------------------------------|---------------|-------------------|-----------------------|
| Franklin Small Cap Value Securities Fund - Class 2 (continued) | | | |
| ING MAP PLUS NP32 | 307.023 | \$ 9.39 | \$ 2,883 |
| ING MAP PLUS NP35 | 1,176.680 | 9.32 | 10,967 |
| Qualified V | 358.983 | 11.50 | 4,128 |
| Qualified VI | 1,140,863.635 | 11.64 | 13,279,653 |
| Qualified X (1.15) | 50,835.870 | 11.73 | 596,305 |
| Qualified X (1.25) | 112,832.299 | 11.64 | 1,313,368 |
| Qualified XII (0.00) | 1,668.163 | 12.78 | 21,319 |
| Qualified XII (0.05) | 28,051.487 | 12.56 | 352,327 |
| Qualified XII (0.10) | 194.188 | 12.68 | 2,462 |
| Qualified XII (0.20) | 37.403 | 12.59 | 471 |
| Qualified XII (0.25) | 26.275 | 12.54 | 329 |
| Qualified XII (0.30) | 159,549.581 | 12.49 | 1,992,774 |
| Qualified XII (0.35) | 1,088.619 | 12.45 | 13,553 |
| Qualified XII (0.40) | 27,273.969 | 12.40 | 338,197 |
| Qualified XII (0.50) | 808,892.708 | 12.31 | 9,957,469 |
| Qualified XII (0.55) | 32,065.667 | 12.26 | 393,125 |
| Qualified XII (0.60) | 39,969.791 | 12.22 | 488,431 |
| Qualified XII (0.65) | 170,768.688 | 12.17 | 2,078,255 |
| Qualified XII (0.70) | 54,528.954 | 12.13 | 661,436 |
| Qualified XII (0.75) | 164,813.331 | 12.08 | 1,990,945 |
| Qualified XII (0.80) | 34,402.786 | 12.04 | 414,210 |
| Qualified XII (0.85) | 176,258.250 | 11.99 | 2,113,336 |
| Qualified XII (0.90) | 17,372.552 | 11.95 | 207,602 |
| Qualified XII (0.95) | 156,837.300 | 11.90 | 1,866,364 |
| Qualified XII (1.00) | 708,475.746 | 11.86 | 8,402,522 |
| Qualified XII (1.05) | 27,826.631 | 11.81 | 328,633 |
| Qualified XII (1.10) | 18,329.424 | 11.77 | 215,737 |
| Qualified XII (1.15) | 49,190.118 | 11.73 | 577,000 |
| Qualified XII (1.20) | 16,535.306 | 11.68 | 193,132 |
| Qualified XII (1.25) | 60,560.456 | 11.64 | 704,924 |
| Qualified XII (1.30) | 1,662.668 | 11.60 | 19,287 |
| Qualified XII (1.35) | 504.685 | 11.55 | 5,829 |
| Qualified XII (1.40) | 3,418.719 | 11.51 | 39,349 |
| Qualified XII (1.45) | 2,466.582 | 11.47 | 28,292 |
| Qualified XII (1.50) | 768.439 | 11.43 | 8,783 |
| Qualified XIII | 17.298 | 11.90 | 206 |
| Qualified XV | 4,629.338 | 11.90 | 55,089 |
| Qualified XVI | 23,020.486 | 11.43 | 263,124 |
| Qualified XVII | 2,177.545 | 11.64 | 25,347 |
| Qualified XVIII | 3,916.662 | 11.64 | 45,590 |
| Qualified XXI | 28,953.401 | 12.04 | 348,599 |
| Qualified XXV | 19,476.614 | 12.08 | 235,278 |
| Qualified XXVI | 4,239.626 | 11.95 | 50,664 |
| Qualified XXVII | 379,036.640 | 13.05 | 4,946,428 |
| Qualified XXVIII | 502,921.711 | 11.16 | 5,612,606 |
| Qualified XXXII | 1,838.628 | 10.01 | 18,405 |
| Qualified XXXIII (0.65) | 42,901.993 | 12.23 | 524,691 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-----------------------------------------------------------|----------------------|-------------------|-----------------------|
| Franklin Small Cap Value Securities Fund - Class 2 | | | |
| (continued) | | | |
| Qualified XXXVIII | 5,531.450 | \$ 6.35 | \$ 35,125 |
| Qualified XLIII | 1,766.303 | 6.33 | 11,181 |
| Qualified LIII | 20,874.353 | 8.53 | 178,058 |
| Qualified LIV | 19,671.748 | 8.48 | 166,816 |
| Qualified LVI | 5,936.630 | 8.57 | 50,877 |
| Qualified LIX | 764.629 | 12.44 | 9,512 |
| | <u>5,364,478.841</u> | | <u>\$ 63,472,960</u> |
| Fundamental Investors, Inc. - Class R-3 | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP9 | 1,879.167 | \$ 6.12 | \$ 11,501 |
| ING MAP PLUS NP28 | 308.500 | 6.08 | 1,876 |
| | <u>2,187.667</u> | | <u>\$ 13,377</u> |
| Fundamental Investors, Inc. - Class R-4 | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 158.413 | \$ 6.10 | \$ 966 |
| Qualified VI | 325,547.248 | 6.10 | 1,985,838 |
| Qualified XII (0.30) | 549.308 | 6.14 | 3,373 |
| Qualified XII (0.40) | 3,433.176 | 6.13 | 21,045 |
| Qualified XII (0.50) | 4,779.263 | 6.13 | 29,297 |
| Qualified XII (0.55) | 69.943 | 6.13 | 429 |
| Qualified XII (0.60) | 3,604.856 | 6.12 | 22,062 |
| Qualified XII (0.65) | 210.270 | 6.12 | 1,287 |
| Qualified XII (0.70) | 10,065.366 | 6.12 | 61,600 |
| Qualified XII (0.75) | 82,594.533 | 6.12 | 505,479 |
| Qualified XII (0.80) | 64,420.149 | 6.12 | 394,251 |
| Qualified XII (0.85) | 57,981.758 | 6.11 | 354,269 |
| Qualified XII (0.90) | 8,431.272 | 6.11 | 51,515 |
| Qualified XII (0.95) | 49,533.326 | 6.11 | 302,649 |
| Qualified XII (1.00) | 172,816.257 | 6.11 | 1,055,907 |
| Qualified XII (1.05) | 2,982.196 | 6.11 | 18,221 |
| Qualified XII (1.10) | 1,659.862 | 6.10 | 10,125 |
| Qualified XII (1.15) | 8,490.021 | 6.10 | 51,789 |
| Qualified XII (1.20) | 255.518 | 6.10 | 1,559 |
| Qualified XII (1.25) | 4,596.087 | 6.10 | 28,036 |
| Qualified XII (1.35) | 1.100 | 6.09 | 7 |
| Qualified XII (1.40) | 17.734 | 6.09 | 108 |
| Qualified XVI | 4,245.589 | 6.09 | 25,856 |
| Qualified XXI | 532,614.729 | 6.12 | 3,259,602 |
| Qualified XXV | 87.675 | 6.12 | 537 |
| Qualified XXXVIII | 1,185.141 | 6.15 | 7,289 |
| Qualified LIII | 956.631 | 6.13 | 5,864 |
| Qualified LIV | 13,283.786 | 6.12 | 81,297 |
| | <u>1,354,571.207</u> | | <u>\$ 8,280,257</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|------------------------------------------------|----------------------|-------------------|-----------------------|
| The Growth Fund of America® - Class R-3 | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 42,844.858 | \$ 9.22 | \$ 395,030 |
| ING MAP PLUS NP4 | 23,734.745 | 9.15 | 217,173 |
| ING MAP PLUS NP6 | 39,505.582 | 9.10 | 359,501 |
| ING MAP PLUS NP8 | 46,398.700 | 9.06 | 420,372 |
| ING MAP PLUS NP9 | 108,074.790 | 9.04 | 976,996 |
| ING MAP PLUS NP10 | 908.405 | 9.01 | 8,185 |
| ING MAP PLUS NP11 | 82,512.505 | 8.99 | 741,787 |
| ING MAP PLUS NP12 | 39,595.900 | 8.97 | 355,175 |
| ING MAP PLUS NP13 | 13,745.596 | 8.95 | 123,023 |
| ING MAP PLUS NP14 | 97,589.865 | 8.93 | 871,477 |
| ING MAP PLUS NP15 | 88,105.409 | 8.90 | 784,138 |
| ING MAP PLUS NP16 | 45,109.218 | 8.88 | 400,570 |
| ING MAP PLUS NP17 | 38,239.605 | 8.86 | 338,803 |
| ING MAP PLUS NP18 | 58,739.810 | 8.84 | 519,260 |
| ING MAP PLUS NP19 | 55,641.443 | 8.82 | 490,758 |
| ING MAP PLUS NP20 | 89,476.585 | 8.80 | 787,394 |
| ING MAP PLUS NP21 | 38,413.872 | 8.77 | 336,890 |
| ING MAP PLUS NP22 | 22,145.726 | 8.75 | 193,775 |
| ING MAP PLUS NP23 | 56,800.047 | 8.73 | 495,864 |
| ING MAP PLUS NP24 | 4,175.116 | 8.71 | 36,365 |
| ING MAP PLUS NP25 | 2,227.083 | 8.69 | 19,353 |
| ING MAP PLUS NP26 | 6,191.779 | 8.67 | 53,683 |
| ING MAP PLUS NP27 | 329.194 | 8.65 | 2,848 |
| ING MAP PLUS NP28 | 27,134.526 | 8.62 | 233,900 |
| ING MAP PLUS NP29 | 4,708.145 | 8.60 | 40,490 |
| ING MAP PLUS NP30 | 2,966.152 | 8.58 | 25,450 |
| ING MAP PLUS NP32 | 1,486.674 | 8.54 | 12,696 |
| ING MAP PLUS NP35 | 645.397 | 8.48 | 5,473 |
| ING MAP PLUS NP36 | 12.967 | 8.46 | 110 |
| Qualified XII (1.00) | 44,257.219 | 7.03 | 311,128 |
| | <u>1,081,716.913</u> | | <u>\$ 9,557,667</u> |
| The Growth Fund of America® - Class R-4 | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 10,181.736 | \$ 9.05 | \$ 92,145 |
| Qualified V | 5,570.627 | 8.74 | 48,687 |
| Qualified VI | 4,851,610.259 | 8.81 | 42,742,686 |
| Qualified XII (0.00) | 18,492.938 | 9.34 | 172,724 |
| Qualified XII (0.10) | 390.032 | 9.29 | 3,623 |
| Qualified XII (0.25) | 1,011.069 | 9.23 | 9,332 |
| Qualified XII (0.30) | 250,524.812 | 9.21 | 2,307,334 |
| Qualified XII (0.35) | 1,335.892 | 9.18 | 12,263 |
| Qualified XII (0.40) | 80,865.210 | 9.16 | 740,725 |
| Qualified XII (0.50) | 2,946,764.720 | 9.12 | 26,874,494 |
| Qualified XII (0.55) | 273,606.430 | 9.10 | 2,489,819 |
| Qualified XII (0.60) | 100,070.721 | 9.08 | 908,642 |
| Qualified XII (0.65) | 119,542.118 | 9.06 | 1,083,052 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|------------------------------------------------------------|-----------------------|-------------------|-----------------------|
| The Growth Fund of America® - Class R-4 (continued) | | | |
| Qualified XII (0.70) | 419,556.434 | \$ 9.03 | \$ 3,788,595 |
| Qualified XII (0.75) | 1,259,860.736 | 9.01 | 11,351,345 |
| Qualified XII (0.80) | 1,711,635.976 | 8.99 | 15,387,607 |
| Qualified XII (0.85) | 688,354.509 | 8.97 | 6,174,540 |
| Qualified XII (0.90) | 125,481.620 | 8.95 | 1,123,061 |
| Qualified XII (0.95) | 685,932.548 | 8.93 | 6,125,378 |
| Qualified XII (1.00) | 3,497,301.062 | 8.91 | 31,160,952 |
| Qualified XII (1.05) | 125,546.156 | 8.89 | 1,116,105 |
| Qualified XII (1.10) | 101,535.460 | 8.87 | 900,620 |
| Qualified XII (1.15) | 238,743.087 | 8.85 | 2,112,876 |
| Qualified XII (1.20) | 17,587.934 | 8.83 | 155,301 |
| Qualified XII (1.25) | 260,809.078 | 8.81 | 2,297,728 |
| Qualified XII (1.30) | 3,386.288 | 8.78 | 29,732 |
| Qualified XII (1.35) | 1,028.877 | 8.76 | 9,013 |
| Qualified XII (1.40) | 29,373.937 | 8.74 | 256,728 |
| Qualified XII (1.45) | 8,273.489 | 8.72 | 72,145 |
| Qualified XII (1.50) | 648.530 | 8.70 | 5,642 |
| Qualified XIII | 1,048.774 | 8.93 | 9,366 |
| Qualified XV | 23,952.396 | 8.93 | 213,895 |
| Qualified XVI | 75,408.563 | 8.70 | 656,055 |
| Qualified XVII | 27,173.081 | 8.87 | 241,025 |
| Qualified XXI | 162,147.447 | 8.99 | 1,457,706 |
| Qualified XXV | 44,260.983 | 9.03 | 399,677 |
| Qualified XXVI | 2,714.211 | 8.97 | 24,346 |
| Qualified XXVII | 1,992,111.192 | 8.54 | 17,012,630 |
| Qualified XXXIII (0.65) | 6,653.054 | 9.30 | 61,873 |
| Qualified XXXVIII | 48,284.823 | 5.92 | 285,846 |
| Qualified XLIII | 21,785.841 | 5.91 | 128,754 |
| Qualified LIII | 26,988.425 | 8.81 | 237,768 |
| Qualified LIV | 86,310.757 | 8.76 | 756,082 |
| Qualified LVI | 8,715.983 | 8.85 | 77,136 |
| Qualified LIX | 519.692 | 9.19 | 4,776 |
| | <u>20,363,097.507</u> | | <u>\$ 181,119,829</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| <u>Division/Contract</u> | <u>Units</u> | <u>Unit Value</u> | <u>Extended Value</u> |
|------------------------------------------------|--------------------|-------------------|-----------------------|
| The Income Fund of America® - Class R-3 | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 3,974.672 | \$ 10.05 | \$ 39,945 |
| ING MAP PLUS NP6 | 4,764.181 | 9.93 | 47,308 |
| ING MAP PLUS NP8 | 2,079.539 | 9.88 | 20,546 |
| ING MAP PLUS NP9 | 3,599.993 | 9.85 | 35,460 |
| ING MAP PLUS NP10 | 5,979.599 | 9.83 | 58,779 |
| ING MAP PLUS NP11 | 26,877.753 | 9.80 | 263,402 |
| ING MAP PLUS NP12 | 13,920.849 | 9.78 | 136,146 |
| ING MAP PLUS NP13 | 2,499.308 | 9.76 | 24,393 |
| ING MAP PLUS NP14 | 2,922.020 | 9.73 | 28,431 |
| ING MAP PLUS NP15 | 26,112.424 | 9.71 | 253,552 |
| ING MAP PLUS NP16 | 4,265.015 | 9.69 | 41,328 |
| ING MAP PLUS NP17 | 5,660.503 | 9.66 | 54,680 |
| ING MAP PLUS NP18 | 126.567 | 9.64 | 1,220 |
| ING MAP PLUS NP19 | 6,827.693 | 9.61 | 65,614 |
| ING MAP PLUS NP20 | 7,780.883 | 9.59 | 74,619 |
| ING MAP PLUS NP21 | 11,934.867 | 9.57 | 114,217 |
| ING MAP PLUS NP22 | 1,742.530 | 9.54 | 16,624 |
| ING MAP PLUS NP23 | 6,607.342 | 9.52 | 62,902 |
| ING MAP PLUS NP24 | 510.125 | 9.50 | 4,846 |
| ING MAP PLUS NP25 | 4,213.603 | 9.47 | 39,903 |
| ING MAP PLUS NP26 | 10,911.689 | 9.45 | 103,115 |
| ING MAP PLUS NP27 | 261.801 | 9.43 | 2,469 |
| ING MAP PLUS NP28 | 1,157.149 | 9.40 | 10,877 |
| ING MAP PLUS NP29 | 207.472 | 9.38 | 1,946 |
| ING MAP PLUS NP30 | 1,091.031 | 9.36 | 10,212 |
| ING MAP PLUS NP32 | 636.614 | 9.31 | 5,927 |
| ING MAP PLUS NP35 | 1,760.251 | 9.24 | 16,265 |
| ING MAP PLUS NP36 | 12.162 | 9.22 | 112 |
| | <u>158,437.635</u> | | <u>\$ 1,534,838</u> |
| ING Financial Services Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP9 | 7,067.241 | \$ 6.86 | \$ 48,481 |
| ING MAP PLUS NP15 | 346.166 | 6.76 | 2,340 |
| ING MAP PLUS NP17 | 1,036.431 | 6.73 | 6,975 |
| ING MAP PLUS NP23 | 637.293 | 6.63 | 4,225 |
| ING MAP PLUS NP25 | 31.317 | 6.60 | 207 |
| ING MAP PLUS NP26 | 4,326.137 | 6.58 | 28,466 |
| ING MAP PLUS NP28 | 57.369 | 6.55 | 376 |
| ING MAP PLUS NP29 | 978.499 | 6.53 | 6,390 |
| ING MAP PLUS NP30 | 486.281 | 6.52 | 3,171 |
| | <u>14,966.734</u> | | <u>\$ 100,631</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| <u>Division/Contract</u> | <u>Units</u> | <u>Unit Value</u> | <u>Extended Value</u> |
|---------------------------------------|--------------------|-------------------|-----------------------|
| ING Real Estate Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 12,788.413 | \$ 10.59 | \$ 135,429 |
| ING MAP PLUS NP3 | 249.928 | 10.54 | 2,634 |
| ING MAP PLUS NP4 | 6,040.132 | 10.51 | 63,482 |
| ING MAP PLUS NP6 | 6,392.958 | 10.46 | 66,870 |
| ING MAP PLUS NP9 | 14,758.199 | 10.38 | 153,190 |
| ING MAP PLUS NP11 | 871.834 | 10.33 | 9,006 |
| ING MAP PLUS NP12 | 7,161.539 | 10.31 | 73,835 |
| ING MAP PLUS NP13 | 67.407 | 10.28 | 693 |
| ING MAP PLUS NP14 | 3,463.701 | 10.26 | 35,538 |
| ING MAP PLUS NP15 | 6,290.450 | 10.23 | 64,351 |
| ING MAP PLUS NP16 | 2,221.223 | 10.21 | 22,679 |
| ING MAP PLUS NP17 | 2,500.289 | 10.18 | 25,453 |
| ING MAP PLUS NP18 | 12,248.318 | 10.16 | 124,443 |
| ING MAP PLUS NP19 | 6,192.250 | 10.13 | 62,727 |
| ING MAP PLUS NP20 | 31,333.333 | 10.11 | 316,780 |
| ING MAP PLUS NP21 | 4,032.030 | 10.08 | 40,643 |
| ING MAP PLUS NP23 | 4,624.883 | 10.03 | 46,388 |
| ING MAP PLUS NP24 | 74.649 | 10.01 | 747 |
| ING MAP PLUS NP25 | 2,590.987 | 9.98 | 25,858 |
| ING MAP PLUS NP26 | 721.928 | 9.96 | 7,190 |
| ING MAP PLUS NP27 | 1,244.801 | 9.93 | 12,361 |
| ING MAP PLUS NP28 | 3,492.502 | 9.91 | 34,611 |
| ING MAP PLUS NP29 | 3,066.902 | 9.89 | 30,332 |
| ING MAP PLUS NP30 | 128.541 | 9.86 | 1,267 |
| | <u>132,557.197</u> | | <u>\$ 1,356,507</u> |
| ING GNMA Income Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 6,064.597 | \$ 12.37 | \$ 75,019 |
| ING MAP PLUS NP6 | 13,074.020 | 12.21 | 159,634 |
| ING MAP PLUS NP8 | 1,214.797 | 12.16 | 14,772 |
| ING MAP PLUS NP9 | 5,788.904 | 12.13 | 70,219 |
| ING MAP PLUS NP11 | 13,956.722 | 12.07 | 168,458 |
| ING MAP PLUS NP12 | 337.032 | 12.04 | 4,058 |
| ING MAP PLUS NP13 | 14.614 | 12.01 | 176 |
| ING MAP PLUS NP14 | 24,276.320 | 11.98 | 290,830 |
| ING MAP PLUS NP15 | 82,302.147 | 11.95 | 983,511 |
| ING MAP PLUS NP17 | 20,379.383 | 11.89 | 242,311 |
| ING MAP PLUS NP18 | 9,000.598 | 11.86 | 106,747 |
| ING MAP PLUS NP19 | 6,533.993 | 11.83 | 77,297 |
| ING MAP PLUS NP20 | 16,212.925 | 11.80 | 191,313 |
| ING MAP PLUS NP21 | 4,507.557 | 11.77 | 53,054 |
| ING MAP PLUS NP23 | 2,605.514 | 11.72 | 30,537 |
| ING MAP PLUS NP24 | 581.197 | 11.69 | 6,794 |
| ING MAP PLUS NP26 | 2,671.628 | 11.63 | 31,071 |
| ING MAP PLUS NP28 | 15,587.275 | 11.57 | 180,345 |
| ING MAP PLUS NP29 | 2,293.923 | 11.54 | 26,472 |
| ING MAP PLUS NP30 | 873.536 | 11.52 | 10,063 |
| ING MAP PLUS NP32 | 333.243 | 11.46 | 3,819 |
| Qualified XII (1.00) | 9,351.268 | 11.56 | 108,101 |
| | <u>237,961.193</u> | | <u>\$ 2,834,601</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| <u>Division/Contract</u> | <u>Units</u> | <u>Unit Value</u> | <u>Extended Value</u> |
|---------------------------------------------------------------------------|--------------------|-------------------|-----------------------|
| ING Intermediate Bond Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 26,542.872 | \$ 10.48 | \$ 278,169 |
| ING MAP PLUS NP8 | 77,248.137 | 10.31 | 796,428 |
| ING MAP PLUS NP9 | 17,555.569 | 10.28 | 180,471 |
| ING MAP PLUS NP10 | 26,138.716 | 10.26 | 268,183 |
| ING MAP PLUS NP11 | 30,601.044 | 10.23 | 313,049 |
| ING MAP PLUS NP14 | 26,991.642 | 10.15 | 273,965 |
| ING MAP PLUS NP15 | 5,022.281 | 10.13 | 50,876 |
| ING MAP PLUS NP16 | 5,071.641 | 10.11 | 51,274 |
| ING MAP PLUS NP17 | 14,087.682 | 10.08 | 142,004 |
| ING MAP PLUS NP18 | 3,452.052 | 10.06 | 34,728 |
| ING MAP PLUS NP19 | 20,774.385 | 10.03 | 208,367 |
| ING MAP PLUS NP20 | 24,948.543 | 10.01 | 249,735 |
| ING MAP PLUS NP21 | 305.002 | 9.98 | 3,044 |
| ING MAP PLUS NP22 | 11,297.885 | 9.96 | 112,527 |
| ING MAP PLUS NP23 | 22,686.428 | 9.93 | 225,276 |
| ING MAP PLUS NP24 | 4,488.639 | 9.91 | 44,482 |
| ING MAP PLUS NP25 | 490.790 | 9.88 | 4,849 |
| ING MAP PLUS NP26 | 16,143.963 | 9.86 | 159,179 |
| ING MAP PLUS NP28 | 6,109.114 | 9.81 | 59,930 |
| ING MAP PLUS NP29 | 1,810.924 | 9.79 | 17,729 |
| ING MAP PLUS NP32 | 651.169 | 9.72 | 6,329 |
| | <u>342,418.478</u> | | <u>\$ 3,480,594</u> |
| ING AllianceBernstein Mid Cap Growth Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| Qualified VI | 105,152.887 | \$ 7.26 | \$ 763,410 |
| Qualified XII (0.00) | 111.433 | 7.60 | 847 |
| Qualified XII (0.30) | 900.053 | 7.52 | 6,768 |
| Qualified XII (0.40) | 2,856.454 | 7.49 | 21,395 |
| Qualified XII (0.50) | 43,448.886 | 7.46 | 324,129 |
| Qualified XII (0.55) | 1,450.086 | 7.45 | 10,803 |
| Qualified XII (0.60) | 2,425.106 | 7.44 | 18,043 |
| Qualified XII (0.65) | 1,439.713 | 7.42 | 10,683 |
| Qualified XII (0.70) | 6,805.668 | 7.41 | 50,430 |
| Qualified XII (0.75) | 13,378.012 | 7.40 | 98,997 |
| Qualified XII (0.80) | 3,126.806 | 7.38 | 23,076 |
| Qualified XII (0.85) | 11,036.231 | 7.37 | 81,337 |
| Qualified XII (0.90) | 1,606.757 | 7.36 | 11,826 |
| Qualified XII (0.95) | 16,841.339 | 7.34 | 123,615 |
| Qualified XII (1.00) | 34,788.292 | 7.33 | 254,998 |
| Qualified XII (1.05) | 176.862 | 7.31 | 1,293 |
| Qualified XII (1.10) | 933.092 | 7.30 | 6,812 |
| Qualified XII (1.15) | 7,838.502 | 7.29 | 57,143 |
| Qualified XII (1.20) | 1,426.732 | 7.27 | 10,372 |
| Qualified XII (1.25) | 7,018.904 | 7.26 | 50,957 |
| Qualified XII (1.30) | 83.865 | 7.25 | 608 |
| Qualified XII (1.40) | 1,090.230 | 7.22 | 7,871 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-----------------------------------------------------------------------------------|--------------------|-------------------|-----------------------|
| ING AllianceBernstein Mid Cap Growth Portfolio - Service Class (continued) | | | |
| Qualified XII (1.45) | 51.011 | \$ 7.21 | \$ 368 |
| Qualified XII (1.50) | 496.656 | 7.19 | 3,571 |
| Qualified XXXVIII | 466.731 | 4.99 | 2,329 |
| Qualified XVI | 1,066.755 | 7.19 | 7,670 |
| Qualified XVII | 4,245.667 | 7.26 | 30,824 |
| Qualified XXV | 46.674 | 7.40 | 345 |
| Qualified XLIII | 40.382 | 4.97 | 201 |
| Qualified LIII | 5,696.217 | 7.52 | 42,836 |
| Qualified LIV | 1,225.774 | 7.47 | 9,157 |
| Qualified LVI | 37.464 | 7.55 | 283 |
| | <u>277,309.241</u> | | <u>\$ 2,032,997</u> |
| ING BlackRock Large Cap Growth Portfolio - Institutional Class | | | |
| Currently payable annuity contracts: | 31,916.330 | \$5.87 to \$5.93 | \$ 188,508 |
| Contracts in accumulation period: | | | |
| Qualified V | 1,595.238 | 6.25 | 9,970 |
| Qualified VI | 3,634,764.737 | 6.27 | 22,789,975 |
| Qualified VIII | 1,498.917 | 6.27 | 9,398 |
| Qualified X (1.15) | 161,950.594 | 6.28 | 1,017,050 |
| Qualified X (1.25) | 249,176.818 | 6.27 | 1,562,339 |
| Qualified XII (0.00) | 14,085.278 | 6.43 | 90,568 |
| Qualified XII (0.05) | 23,736.022 | 6.42 | 152,385 |
| Qualified XII (0.10) | 82.732 | 6.42 | 531 |
| Qualified XII (0.25) | 6,085.625 | 6.40 | 38,948 |
| Qualified XII (0.30) | 56,575.332 | 6.39 | 361,516 |
| Qualified XII (0.35) | 14,704.854 | 6.39 | 93,964 |
| Qualified XII (0.40) | 83,057.108 | 6.38 | 529,904 |
| Qualified XII (0.45) | 1,200.003 | 6.38 | 7,656 |
| Qualified XII (0.50) | 173,932.254 | 6.37 | 1,107,948 |
| Qualified XII (0.55) | 74,987.819 | 6.36 | 476,923 |
| Qualified XII (0.60) | 61,775.371 | 6.36 | 392,891 |
| Qualified XII (0.65) | 156,092.387 | 6.35 | 991,187 |
| Qualified XII (0.70) | 193,916.195 | 6.35 | 1,231,368 |
| Qualified XII (0.75) | 283,823.839 | 6.34 | 1,799,443 |
| Qualified XII (0.80) | 299,398.483 | 6.33 | 1,895,192 |
| Qualified XII (0.85) | 390,962.428 | 6.33 | 2,474,792 |
| Qualified XII (0.90) | 36,238.549 | 6.32 | 229,028 |
| Qualified XII (0.95) | 326,604.087 | 6.32 | 2,064,138 |
| Qualified XII (1.00) | 917,951.166 | 6.31 | 5,792,272 |
| Qualified XII (1.05) | 114,357.035 | 6.31 | 721,593 |
| Qualified XII (1.10) | 119,373.776 | 6.30 | 752,055 |
| Qualified XII (1.15) | 59,675.200 | 6.29 | 375,357 |
| Qualified XII (1.20) | 19,286.566 | 6.29 | 121,313 |
| Qualified XII (1.25) | 77,451.605 | 6.28 | 486,396 |
| Qualified XII (1.30) | 15,644.231 | 6.28 | 98,246 |
| Qualified XII (1.35) | 3,650.837 | 6.27 | 22,891 |
| Qualified XII (1.40) | 19,269.241 | 6.26 | 120,625 |
| Qualified XII (1.45) | 3,411.276 | 6.26 | 21,355 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| <u>Division/Contract</u> | <u>Units</u> | <u>Unit Value</u> | <u>Extended Value</u> |
|-----------------------------------------------------------------------------------|-----------------------|-------------------|-----------------------|
| ING BlackRock Large Cap Growth Portfolio - Institutional Class (continued) | | | |
| Qualified XII (1.50) | 2,741.586 | \$ 6.25 | \$ 17,135 |
| Qualified XV | 28,318.198 | 6.31 | 178,688 |
| Qualified XVI | 97,996.641 | 6.24 | 611,499 |
| Qualified XVII | 2,582.182 | 6.28 | 16,216 |
| Qualified XVIII | 18,918.803 | 6.30 | 119,188 |
| Qualified XXV | 42,858.409 | 6.33 | 271,294 |
| Qualified XXVI | 24,878.802 | 6.31 | 156,985 |
| Qualified XXVII | 1,802,753.979 | 6.30 | 11,357,350 |
| Qualified XXVIII | 199,596.302 | 6.30 | 1,257,457 |
| Qualified XXXII | 16,968.856 | 6.27 | 106,395 |
| Qualified XXII | 494.975 | 6.36 | 3,148 |
| Qualified XXXVI | 15,872.715 | 6.35 | 100,792 |
| Qualified XXXVIII | 33,919.334 | 5.93 | 201,142 |
| Qualified XLIII | 8,118.676 | 5.92 | 48,063 |
| Qualified LIII | 50,188.994 | 6.36 | 319,202 |
| Qualified LIV | 18,763.326 | 6.32 | 118,584 |
| Qualified LVI | 51,399.727 | 6.40 | 328,958 |
| Qualified LIX | 9,968.281 | 6.36 | 63,398 |
| | <u>10,054,571.719</u> | | <u>\$ 63,303,219</u> |
| ING BlackRock Large Cap Growth Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XII (0.00) | 178.228 | \$ 7.41 | \$ 1,321 |
| Qualified XII (0.50) | 11,603.505 | 7.33 | 85,054 |
| | <u>11,781.733</u> | | <u>\$ 86,375</u> |
| ING BlackRock Large Cap Growth Portfolio - Service 2 Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 12,454.561 | \$ 6.33 | \$ 78,837 |
| ING Evergreen Health Sciences Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 334.861 | \$ 9.52 | \$ 3,188 |
| ING MAP PLUS NP9 | 667.787 | 9.78 | 6,531 |
| ING MAP PLUS NP11 | 274.572 | 9.75 | 2,677 |
| ING MAP PLUS NP12 | 14,532.514 | 9.73 | 141,401 |
| ING MAP PLUS NP14 | 3,909.308 | 9.69 | 37,881 |
| ING MAP PLUS NP17 | 219.669 | 9.64 | 2,118 |
| ING MAP PLUS NP18 | 12.564 | 9.62 | 121 |
| ING MAP PLUS NP23 | 2,654.717 | 9.53 | 25,299 |
| ING MAP PLUS NP24 | 2,603.160 | 9.52 | 24,782 |
| ING MAP PLUS NP25 | 362.861 | 9.50 | 3,447 |
| ING MAP PLUS NP26 | 2,128.790 | 9.48 | 20,181 |
| ING MAP PLUS NP28 | 457.983 | 9.45 | 4,328 |
| Qualified VI | 229,746.901 | 9.52 | 2,187,191 |
| Qualified XII (0.00) | 1,467.565 | 9.97 | 14,632 |
| Qualified XII (0.25) | 3,896.092 | 9.87 | 38,454 |
| Qualified XII (0.30) | 116,460.622 | 9.86 | 1,148,302 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|----------------------------------------------------------------------------|--------------------|-------------------|-----------------------|
| ING Evergreen Health Sciences Portfolio - Service Class (continued) | | | |
| Qualified XII (0.40) | 16,026.716 | \$ 9.82 | \$ 157,382 |
| Qualified XII (0.50) | 19,677.235 | 9.78 | 192,443 |
| Qualified XII (0.55) | 4,760.371 | 9.77 | 46,509 |
| Qualified XII (0.60) | 2,249.808 | 9.75 | 21,936 |
| Qualified XII (0.65) | 2,676.170 | 9.73 | 26,039 |
| Qualified XII (0.70) | 10,862.506 | 9.71 | 105,475 |
| Qualified XII (0.75) | 34,263.820 | 9.69 | 332,016 |
| Qualified XII (0.80) | 24,694.435 | 9.68 | 239,042 |
| Qualified XII (0.85) | 24,330.384 | 9.66 | 235,032 |
| Qualified XII (0.90) | 4,094.250 | 9.64 | 39,469 |
| Qualified XII (0.95) | 24,789.928 | 9.62 | 238,479 |
| Qualified XII (1.00) | 118,802.070 | 9.61 | 1,141,688 |
| Qualified XII (1.05) | 4,620.685 | 9.59 | 44,312 |
| Qualified XII (1.10) | 6,500.864 | 9.57 | 62,213 |
| Qualified XII (1.15) | 6,546.681 | 9.55 | 62,521 |
| Qualified XII (1.20) | 1,637.273 | 9.53 | 15,603 |
| Qualified XII (1.25) | 15,474.970 | 9.52 | 147,322 |
| Qualified XII (1.30) | 101.277 | 9.50 | 962 |
| Qualified XII (1.35) | 13.017 | 9.48 | 123 |
| Qualified XII (1.40) | 1,074.180 | 9.46 | 10,162 |
| Qualified XII (1.45) | 20.931 | 9.45 | 198 |
| Qualified XII (1.50) | 5.239 | 9.43 | 49 |
| Qualified XV | 1,486.782 | 9.62 | 14,303 |
| Qualified XVI | 5,652.869 | 9.43 | 53,307 |
| Qualified XXI | 11,913.946 | 9.68 | 115,327 |
| Qualified XXV | 1,676.079 | 9.69 | 16,241 |
| Qualified XXVI | 19.425 | 9.64 | 187 |
| Qualified XXXVIII | 12,460.272 | 7.09 | 88,343 |
| Qualified XLIII | 27.982 | 7.07 | 198 |
| Qualified LIII | 9,550.670 | 9.85 | 94,074 |
| Qualified LIV | 1,410.481 | 9.79 | 13,809 |
| Qualified LVI | 1,263.519 | 9.90 | 12,509 |
| Qualified LIX | 1,059.813 | 9.80 | 10,386 |
| | <u>749,474.614</u> | | <u>\$ 7,198,192</u> |
| ING Evergreen Omega Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XII (0.00) | 113.732 | \$ 9.40 | \$ 1,069 |
| Qualified XII (0.50) | 3,677.588 | 9.28 | 34,128 |
| | <u>3,791.320</u> | | <u>\$ 35,197</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| <u>Division/Contract</u> | <u>Units</u> | <u>Unit Value</u> | <u>Extended Value</u> |
|---------------------------------------------------------------------------|--------------|-------------------|-----------------------|
| ING FMRSM Diversified Mid Cap Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 653.188 | \$ 8.88 | \$ 5,800 |
| ING MAP PLUS NP1 | 42,888.759 | 9.27 | 397,579 |
| ING MAP PLUS NP6 | 25,078.048 | 9.18 | 230,216 |
| ING MAP PLUS NP8 | 19,201.931 | 9.15 | 175,698 |
| ING MAP PLUS NP9 | 26,965.059 | 9.13 | 246,191 |
| ING MAP PLUS NP10 | 10,446.296 | 9.11 | 95,166 |
| ING MAP PLUS NP11 | 10,060.341 | 9.10 | 91,549 |
| ING MAP PLUS NP12 | 12,976.711 | 9.08 | 117,829 |
| ING MAP PLUS NP13 | 1,885.056 | 9.06 | 17,079 |
| ING MAP PLUS NP14 | 23,188.291 | 9.05 | 209,854 |
| ING MAP PLUS NP15 | 36,405.591 | 9.03 | 328,742 |
| ING MAP PLUS NP16 | 4,732.404 | 9.01 | 42,639 |
| ING MAP PLUS NP17 | 5,250.019 | 9.00 | 47,250 |
| ING MAP PLUS NP18 | 3,196.520 | 8.98 | 28,705 |
| ING MAP PLUS NP19 | 3,607.651 | 8.96 | 32,325 |
| ING MAP PLUS NP20 | 290.545 | 8.95 | 2,600 |
| ING MAP PLUS NP21 | 4,131.186 | 8.93 | 36,891 |
| ING MAP PLUS NP22 | 3,348.282 | 8.91 | 29,833 |
| ING MAP PLUS NP23 | 7,301.311 | 8.90 | 64,982 |
| ING MAP PLUS NP24 | 853.572 | 8.88 | 7,580 |
| ING MAP PLUS NP25 | 662.326 | 8.87 | 5,875 |
| ING MAP PLUS NP26 | 3,768.227 | 8.85 | 33,349 |
| ING MAP PLUS NP27 | 291.638 | 8.83 | 2,575 |
| ING MAP PLUS NP28 | 1,663.257 | 8.82 | 14,670 |
| ING MAP PLUS NP29 | 1,813.275 | 8.80 | 15,957 |
| ING MAP PLUS NP30 | 649.681 | 8.78 | 5,704 |
| Qualified VI | 584,794.351 | 8.88 | 5,192,974 |
| Qualified XII (0.00) | 835.898 | 9.30 | 7,774 |
| Qualified XII (0.10) | 25.527 | 9.26 | 236 |
| Qualified XII (0.25) | 91.446 | 9.21 | 842 |
| Qualified XII (0.30) | 7,925.938 | 9.20 | 72,919 |
| Qualified XII (0.40) | 5,152.141 | 9.16 | 47,194 |
| Qualified XII (0.50) | 295,965.094 | 9.13 | 2,702,161 |
| Qualified XII (0.55) | 4,420.620 | 9.11 | 40,272 |
| Qualified XII (0.60) | 4,463.606 | 9.09 | 40,574 |
| Qualified XII (0.65) | 24,262.883 | 9.08 | 220,307 |
| Qualified XII (0.70) | 23,761.085 | 9.06 | 215,275 |
| Qualified XII (0.75) | 103,266.133 | 9.04 | 933,526 |
| Qualified XII (0.80) | 25,427.258 | 9.03 | 229,608 |
| Qualified XII (0.85) | 73,161.075 | 9.01 | 659,181 |
| Qualified XII (0.90) | 4,810.279 | 8.99 | 43,244 |
| Qualified XII (0.95) | 56,933.893 | 8.98 | 511,266 |
| Qualified XII (1.00) | 569,770.746 | 8.96 | 5,105,146 |
| Qualified XII (1.05) | 5,658.408 | 8.94 | 50,586 |
| Qualified XII (1.10) | 12,894.673 | 8.93 | 115,149 |
| Qualified XII (1.15) | 20,335.789 | 8.91 | 181,192 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---------------------------------------------------------------------------------------|----------------------|-------------------|-----------------------|
| ING FMRSM Diversified Mid Cap Portfolio - Service Class (continued) | | | |
| Qualified XII (1.20) | 2,844.725 | \$ 8.90 | \$ 25,318 |
| Qualified XII (1.25) | 26,068.816 | 8.88 | 231,491 |
| Qualified XII (1.30) | 728.847 | 8.86 | 6,458 |
| Qualified XII (1.35) | 1,097.225 | 8.85 | 9,710 |
| Qualified XII (1.40) | 529.898 | 8.83 | 4,679 |
| Qualified XII (1.45) | 17.355 | 8.81 | 153 |
| Qualified XII (1.50) | 38.078 | 8.80 | 335 |
| Qualified XV | 672.418 | 8.98 | 6,038 |
| Qualified XVI | 12,793.506 | 8.80 | 112,583 |
| Qualified XXI | 226,366.467 | 9.03 | 2,044,089 |
| Qualified XXV | 801.003 | 9.04 | 7,241 |
| Qualified XXVI | 914.056 | 8.99 | 8,217 |
| Qualified XXXVIII | 252.205 | 5.94 | 1,498 |
| Qualified XLIII | 299.579 | 5.92 | 1,774 |
| Qualified LIII | 565.802 | 9.19 | 5,200 |
| Qualified LIV | 33,277.705 | 9.13 | 303,825 |
| Qualified LVI | 981.127 | 9.24 | 9,066 |
| Qualified LIX | 343.331 | 9.15 | 3,141 |
| | <u>2,383,858.151</u> | | <u>\$ 21,436,880</u> |
| ING Global Real Estate Portfolio - Institutional Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 508.203 | \$ 6.70 | \$ 3,405 |
| Qualified V | 210.649 | 6.70 | 1,411 |
| Qualified VI | 1,311,568.599 | 6.70 | 8,787,510 |
| Qualified X (1.15) | 26,156.058 | 6.71 | 175,507 |
| Qualified X (1.25) | 95,555.104 | 6.71 | 641,175 |
| Qualified XII (0.00) | 1,808.648 | 6.73 | 12,172 |
| Qualified XII (0.10) | 20.817 | 6.73 | 140 |
| Qualified XII (0.25) | 355.735 | 6.72 | 2,391 |
| Qualified XII (0.30) | 76,690.027 | 6.72 | 515,357 |
| Qualified XII (0.40) | 101,466.670 | 6.72 | 681,856 |
| Qualified XII (0.50) | 628,608.869 | 6.72 | 4,224,252 |
| Qualified XII (0.55) | 43,651.195 | 6.72 | 293,336 |
| Qualified XII (0.60) | 17,016.875 | 6.72 | 114,353 |
| Qualified XII (0.65) | 10,411.835 | 6.71 | 69,863 |
| Qualified XII (0.70) | 44,812.584 | 6.71 | 300,692 |
| Qualified XII (0.75) | 233,095.246 | 6.71 | 1,564,069 |
| Qualified XII (0.80) | 233,966.435 | 6.71 | 1,569,915 |
| Qualified XII (0.85) | 213,771.911 | 6.71 | 1,434,410 |
| Qualified XII (0.90) | 25,364.116 | 6.71 | 170,193 |
| Qualified XII (0.95) | 135,152.726 | 6.71 | 906,875 |
| Qualified XII (1.00) | 874,547.876 | 6.71 | 5,868,216 |
| Qualified XII (1.05) | 25,586.913 | 6.70 | 171,432 |
| Qualified XII (1.10) | 22,327.631 | 6.70 | 149,595 |
| Qualified XII (1.15) | 54,036.725 | 6.70 | 362,046 |
| Qualified XII (1.20) | 5,877.863 | 6.70 | 39,382 |
| Qualified XII (1.25) | 41,246.472 | 6.70 | 276,351 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---------------------------------------------------------------|----------------------|-------------------|-----------------------|
| ING Global Real Estate Portfolio - Institutional Class | | | |
| (continued) | | | |
| Qualified XII (1.35) | 169.052 | \$ 6.70 | \$ 1,133 |
| Qualified XII (1.40) | 6,334.418 | 6.70 | 42,441 |
| Qualified XII (1.45) | 892.698 | 6.69 | 5,972 |
| Qualified XII (1.50) | 5.803 | 6.69 | 39 |
| Qualified XV | 2,071.405 | 6.71 | 13,899 |
| Qualified XVI | 15,004.620 | 6.69 | 100,381 |
| Qualified XVII | 1,552.354 | 6.70 | 10,401 |
| Qualified XVIII | 3,637.967 | 6.73 | 24,484 |
| Qualified XXI | 5,060.598 | 6.71 | 33,957 |
| Qualified XXV | 4,208.603 | 6.72 | 28,282 |
| Qualified XXVI | 3,086.213 | 6.71 | 20,708 |
| Qualified XXVII | 914,997.197 | 6.71 | 6,139,631 |
| Qualified XXVIII | 160,935.838 | 6.71 | 1,079,879 |
| Qualified XXXII | 2,320.462 | 6.71 | 15,570 |
| Qualified XXXVIII | 2,085.884 | 6.73 | 14,038 |
| Qualified XLIII | 246.258 | 6.71 | 1,652 |
| Qualified LIII | 4,296.475 | 6.72 | 28,872 |
| Qualified LIV | 6,978.881 | 6.71 | 46,828 |
| Qualified LVI | 3,089.082 | 6.72 | 20,759 |
| Qualified LIX | 304.301 | 6.72 | 2,045 |
| | <u>5,361,093.891</u> | | <u>\$ 35,966,875</u> |
| ING Global Resources Portfolio - Institutional Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XII (0.20) | 3,051.029 | \$ 8.22 | \$ 25,079 |
| ING Global Resources Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 14,453.830 | \$ 7.84 | \$ 113,318 |
| Qualified V | 41.519 | 7.82 | 325 |
| Qualified VI | 2,762,519.239 | 7.84 | 21,658,151 |
| Qualified VIII | 784.042 | 7.84 | 6,147 |
| Qualified XII (0.00) | 10,361.813 | 8.06 | 83,516 |
| Qualified XII (0.05) | 75,851.517 | 8.05 | 610,605 |
| Qualified XII (0.10) | 40.840 | 8.04 | 328 |
| Qualified XII (0.25) | 8,797.803 | 8.01 | 70,470 |
| Qualified XII (0.30) | 81,646.674 | 8.00 | 653,173 |
| Qualified XII (0.35) | 3,380.586 | 8.00 | 27,045 |
| Qualified XII (0.40) | 174,590.706 | 7.99 | 1,394,980 |
| Qualified XII (0.45) | 209.677 | 7.98 | 1,673 |
| Qualified XII (0.50) | 91,789.390 | 7.97 | 731,561 |
| Qualified XII (0.55) | 68,665.363 | 7.96 | 546,576 |
| Qualified XII (0.60) | 60,758.615 | 7.95 | 483,031 |
| Qualified XII (0.65) | 143,706.021 | 7.94 | 1,141,026 |
| Qualified XII (0.70) | 111,387.829 | 7.94 | 884,419 |
| Qualified XII (0.75) | 337,276.641 | 7.93 | 2,674,604 |
| Qualified XII (0.80) | 405,271.293 | 7.92 | 3,209,749 |
| Qualified XII (0.85) | 305,370.126 | 7.91 | 2,415,478 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-------------------------------------------------------|----------------------|-------------------|-----------------------|
| ING Global Resources Portfolio - Service Class | | | |
| (continued) | | | |
| Qualified XII (0.90) | 63,283.349 | \$ 7.90 | \$ 499,938 |
| Qualified XII (0.95) | 438,296.202 | 7.89 | 3,458,157 |
| Qualified XII (1.00) | 1,063,665.198 | 7.88 | 8,381,682 |
| Qualified XII (1.05) | 50,497.902 | 7.88 | 397,923 |
| Qualified XII (1.10) | 75,024.381 | 7.87 | 590,442 |
| Qualified XII (1.15) | 101,898.017 | 7.86 | 800,918 |
| Qualified XII (1.20) | 8,373.294 | 7.85 | 65,730 |
| Qualified XII (1.25) | 101,621.939 | 7.84 | 796,716 |
| Qualified XII (1.30) | 151.458 | 7.83 | 1,186 |
| Qualified XII (1.35) | 493.009 | 7.83 | 3,860 |
| Qualified XII (1.40) | 8,053.793 | 7.82 | 62,981 |
| Qualified XII (1.45) | 424.699 | 7.81 | 3,317 |
| Qualified XII (1.50) | 40.437 | 7.80 | 315 |
| Qualified XIII | 1,055.473 | 7.89 | 8,328 |
| Qualified XV | 28,931.801 | 7.89 | 228,272 |
| Qualified XVI | 61,533.018 | 7.80 | 479,958 |
| Qualified XVII | 3,221.657 | 7.85 | 25,290 |
| Qualified XXI | 47,843.080 | 7.92 | 378,917 |
| Qualified XXV | 67,872.643 | 7.95 | 539,588 |
| Qualified XXVI | 10,594.657 | 7.93 | 84,016 |
| Qualified XXVII | 1,593,082.463 | 7.94 | 12,649,075 |
| Qualified XXVIII | 708,273.686 | 7.93 | 5,616,610 |
| Qualified XXXVI | 18,968.222 | 7.96 | 150,987 |
| Qualified XXXVIII | 28,762.128 | 6.01 | 172,860 |
| Qualified XLIII | 8,627.642 | 6.00 | 51,766 |
| Qualified LIII | 87,653.487 | 7.99 | 700,351 |
| Qualified LIV | 36,868.528 | 7.94 | 292,736 |
| Qualified LVI | 37,944.975 | 8.03 | 304,698 |
| Qualified LIX | 15,020.557 | 7.97 | 119,714 |
| | <u>9,324,981.219</u> | | <u>\$ 73,572,506</u> |
| ING Janus Contrarian Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP15 | 188.254 | \$ 5.35 | \$ 1,007 |
| ING MAP PLUS NP28 | 541.332 | 5.33 | 2,885 |
| Qualified VI | 105,496.677 | 5.33 | 562,297 |
| Qualified XII (0.00) | 109.474 | 5.86 | 642 |
| Qualified XII (0.40) | 2,331.586 | 5.82 | 13,570 |
| Qualified XII (0.50) | 1,051,207.153 | 5.81 | 6,107,514 |
| Qualified XII (0.55) | 825.041 | 5.80 | 4,785 |
| Qualified XII (0.70) | 2,485.575 | 5.79 | 14,391 |
| Qualified XII (0.75) | 21,333.495 | 5.78 | 123,308 |
| Qualified XII (0.80) | 11,213.343 | 5.78 | 64,813 |
| Qualified XII (0.85) | 44,030.274 | 5.77 | 254,055 |
| Qualified XII (0.90) | 3,562.255 | 5.77 | 20,554 |
| Qualified XII (0.95) | 3,893.642 | 5.76 | 22,427 |
| Qualified XII (1.00) | 20,973.604 | 5.76 | 120,808 |
| Qualified XII (1.05) | 1,638.254 | 5.75 | 9,420 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-----------------------------------------------------------------------------|----------------------|-------------------|-----------------------|
| ING Janus Contrarian Portfolio - Service Class | | | |
| (continued) | | | |
| Qualified XII (1.10) | 760.389 | \$ 5.74 | \$ 4,365 |
| Qualified XII (1.15) | 2,743.124 | 5.74 | 15,746 |
| Qualified XII (1.20) | 217.625 | 5.73 | 1,247 |
| Qualified XII (1.25) | 506.426 | 5.73 | 2,902 |
| Qualified XII (1.40) | 6.658 | 5.71 | 38 |
| Qualified XVI | 7,584.137 | 5.32 | 40,348 |
| Qualified XXI | 930.093 | 5.35 | 4,976 |
| Qualified XXV | 26.428 | 5.35 | 141 |
| Qualified LIII | 914.845 | 5.36 | 4,904 |
| Qualified LIV | 1,454.664 | 5.35 | 7,782 |
| | <u>1,284,974.348</u> | | <u>\$ 7,404,925</u> |
| ING JPMorgan Emerging Markets Equity Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 17,549.110 | \$ 9.76 | \$ 171,279 |
| ING JPMorgan Emerging Markets Equity Portfolio - Institutional Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXVII | 981,393.626 | \$ 10.20 | \$ 10,010,215 |
| Qualified XXVIII | 826,361.552 | 10.21 | 8,437,151 |
| | <u>1,807,755.178</u> | | <u>\$ 18,447,366</u> |
| ING JPMorgan Emerging Markets Equity Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 689.451 | \$ 11.83 | \$ 8,156 |
| ING MAP PLUS NP1 | 37,987.613 | 7.77 | 295,164 |
| ING MAP PLUS NP9 | 8,204.000 | 7.69 | 63,089 |
| ING MAP PLUS NP12 | 3,608.321 | 7.66 | 27,640 |
| ING MAP PLUS NP13 | 2,099.447 | 7.65 | 16,061 |
| ING MAP PLUS NP14 | 1,543.842 | 7.64 | 11,795 |
| ING MAP PLUS NP15 | 8,095.260 | 7.63 | 61,767 |
| ING MAP PLUS NP16 | 2,144.609 | 7.62 | 16,342 |
| ING MAP PLUS NP19 | 440.835 | 7.59 | 3,346 |
| ING MAP PLUS NP23 | 3,759.217 | 7.55 | 28,382 |
| ING MAP PLUS NP24 | 617.988 | 7.54 | 4,660 |
| ING MAP PLUS NP25 | 1,171.384 | 7.53 | 8,821 |
| ING MAP PLUS NP26 | 10,002.184 | 7.52 | 75,216 |
| ING MAP PLUS NP28 | 144.721 | 7.50 | 1,085 |
| Qualified VI | 607,353.010 | 11.83 | 7,184,986 |
| Qualified VIII | 28.597 | 11.83 | 338 |
| Qualified XII (0.00) | 233.973 | 12.39 | 2,899 |
| Qualified XII (0.10) | 23.830 | 12.34 | 294 |
| Qualified XII (0.25) | 74.775 | 12.28 | 918 |
| Qualified XII (0.30) | 5,400.768 | 12.25 | 66,159 |
| Qualified XII (0.40) | 13,533.098 | 12.21 | 165,239 |
| Qualified XII (0.50) | 14,500.251 | 12.16 | 176,323 |
| Qualified XII (0.55) | 7,316.192 | 12.14 | 88,819 |
| Qualified XII (0.60) | 6,116.139 | 12.12 | 74,128 |
| Qualified XII (0.65) | 29,378.737 | 12.10 | 355,483 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-----------------------------------------------------------------------------------|----------------------|-------------------|-----------------------|
| ING JPMorgan Emerging Markets Equity Portfolio - Service Class (continued) | | | |
| Qualified XII (0.70) | 12,658.686 | \$ 12.07 | \$ 152,790 |
| Qualified XII (0.75) | 31,688.152 | 12.05 | 381,842 |
| Qualified XII (0.80) | 34,094.733 | 12.03 | 410,160 |
| Qualified XII (0.85) | 59,973.467 | 12.01 | 720,281 |
| Qualified XII (0.90) | 14,870.178 | 11.99 | 178,293 |
| Qualified XII (0.95) | 74,366.063 | 11.96 | 889,418 |
| Qualified XII (1.00) | 206,597.399 | 11.94 | 2,466,773 |
| Qualified XII (1.05) | 9,666.185 | 11.92 | 115,221 |
| Qualified XII (1.10) | 13,653.069 | 11.90 | 162,472 |
| Qualified XII (1.15) | 23,371.010 | 11.88 | 277,648 |
| Qualified XII (1.20) | 1,268.291 | 11.85 | 15,029 |
| Qualified XII (1.25) | 32,316.427 | 11.83 | 382,303 |
| Qualified XII (1.30) | 351.697 | 11.81 | 4,154 |
| Qualified XII (1.40) | 1,206.026 | 11.77 | 14,195 |
| Qualified XII (1.45) | 404.610 | 11.74 | 4,750 |
| Qualified XII (1.50) | 171.154 | 11.72 | 2,006 |
| Qualified XIII | 511.628 | 11.96 | 6,119 |
| Qualified XV | 4,534.914 | 11.96 | 54,238 |
| Qualified XVI | 11,172.482 | 11.72 | 130,941 |
| Qualified XVII | 830.107 | 11.83 | 9,820 |
| Qualified XXV | 5,651.805 | 12.05 | 68,104 |
| Qualified XXVI | 3,237.029 | 11.99 | 38,812 |
| Qualified XXXVIII | 13,398.391 | 4.91 | 65,786 |
| Qualified XLIII | 2,215.391 | 4.89 | 10,833 |
| Qualified LIII | 15,348.900 | 12.25 | 188,024 |
| Qualified LIV | 7,415.581 | 12.17 | 90,248 |
| Qualified LVI | 10,146.173 | 12.31 | 124,899 |
| Qualified LIX | 1,879.877 | 12.19 | 22,916 |
| | <u>1,357,467.667</u> | | <u>\$ 15,725,185</u> |
| ING JPMorgan Small Cap Core Equity Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 1,126.380 | \$ 8.74 | \$ 9,845 |
| Qualified VI | 66,719.857 | 8.74 | 583,132 |
| Qualified XII (0.00) | 255.926 | 9.15 | 2,342 |
| Qualified XII (0.30) | 1,074.856 | 9.05 | 9,727 |
| Qualified XII (0.35) | 2,373.838 | 9.03 | 21,436 |
| Qualified XII (0.40) | 1,587.467 | 9.02 | 14,319 |
| Qualified XII (0.50) | 65,526.143 | 8.98 | 588,425 |
| Qualified XII (0.55) | 582.911 | 8.97 | 5,229 |
| Qualified XII (0.60) | 2,793.328 | 8.95 | 25,000 |
| Qualified XII (0.65) | 2,584.392 | 8.93 | 23,079 |
| Qualified XII (0.70) | 1,369.290 | 8.92 | 12,214 |
| Qualified XII (0.75) | 8,399.624 | 8.90 | 74,757 |
| Qualified XII (0.80) | 7,369.876 | 8.88 | 65,445 |
| Qualified XII (0.85) | 10,255.440 | 8.87 | 90,966 |
| Qualified XII (0.90) | 1,330.931 | 8.85 | 11,779 |
| Qualified XII (0.95) | 13,019.770 | 8.83 | 114,965 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---------------------------------------------------------------------------------|--------------------|-------------------|-----------------------|
| ING JPMorgan Small Cap Core Equity Portfolio - Service Class (continued) | | | |
| Qualified XII (1.00) | 33,115.474 | \$ 8.82 | \$ 292,078 |
| Qualified XII (1.05) | 1,142.264 | 8.80 | 10,052 |
| Qualified XII (1.10) | 2,626.924 | 8.79 | 23,091 |
| Qualified XII (1.15) | 1,673.767 | 8.77 | 14,679 |
| Qualified XII (1.20) | 838.533 | 8.75 | 7,337 |
| Qualified XII (1.25) | 5,552.860 | 8.74 | 48,532 |
| Qualified XII (1.30) | 454.474 | 8.72 | 3,963 |
| Qualified XII (1.40) | 1,399.524 | 8.69 | 12,162 |
| Qualified XII (1.45) | 7.349 | 8.67 | 64 |
| Qualified XVI | 2,871.746 | 8.66 | 24,869 |
| Qualified XXV | 194.930 | 8.90 | 1,735 |
| Qualified XXXVIII | 1,174.508 | 6.57 | 7,717 |
| Qualified LIII | 1,006.484 | 9.05 | 9,109 |
| Qualified LIV | 1,383.660 | 8.99 | 12,439 |
| Qualified LVI | 960.465 | 9.09 | 8,731 |
| | <u>240,772.991</u> | | <u>\$ 2,129,218</u> |
| ING JPMorgan Value Opportunities Portfolio - Institutional Class | | | |
| Contracts in accumulation period: | | | |
| Qualified X (1.15) | 831.134 | \$ 6.64 | \$ 5,519 |
| Qualified X (1.25) | 3,330.814 | 6.62 | 22,050 |
| | <u>4,161.948</u> | | <u>\$ 27,569</u> |
| ING JPMorgan Value Opportunities Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP23 | 5,359.263 | \$ 6.59 | \$ 35,318 |
| Qualified VI | 69,500.199 | 6.57 | 456,616 |
| Qualified XII (0.00) | 645.103 | 6.79 | 4,380 |
| Qualified XII (0.40) | 1,409.165 | 6.72 | 9,470 |
| Qualified XII (0.50) | 36,466.582 | 6.70 | 244,326 |
| Qualified XII (0.55) | 550.625 | 6.69 | 3,684 |
| Qualified XII (0.60) | 403.304 | 6.68 | 2,694 |
| Qualified XII (0.65) | 37.006 | 6.68 | 247 |
| Qualified XII (0.70) | 486.430 | 6.67 | 3,244 |
| Qualified XII (0.75) | 3,841.137 | 6.66 | 25,582 |
| Qualified XII (0.80) | 3,597.520 | 6.65 | 23,924 |
| Qualified XII (0.85) | 5,209.697 | 6.64 | 34,592 |
| Qualified XII (0.90) | 980.066 | 6.63 | 6,498 |
| Qualified XII (0.95) | 6,787.224 | 6.62 | 44,931 |
| Qualified XII (1.00) | 19,719.070 | 6.61 | 130,343 |
| Qualified XII (1.05) | 1,772.192 | 6.60 | 11,696 |
| Qualified XII (1.10) | 1,510.509 | 6.60 | 9,969 |
| Qualified XII (1.15) | 2,792.360 | 6.59 | 18,402 |
| Qualified XII (1.20) | 131.460 | 6.58 | 865 |
| Qualified XII (1.25) | 2,676.403 | 6.57 | 17,584 |
| Qualified XII (1.35) | 134.679 | 6.55 | 882 |
| Qualified XII (1.40) | 208.255 | 6.54 | 1,362 |
| Qualified XII (1.45) | 37.285 | 6.53 | 243 |
| Qualified XV | 32.798 | 6.62 | 217 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-------------------------------------------------------------------------------|--------------------|-------------------|-----------------------|
| ING JPMorgan Value Opportunities Portfolio - Service Class (continued) | | | |
| Qualified XVI | 2,307.161 | \$ 6.52 | \$ 15,043 |
| Qualified XXV | 362.000 | 6.66 | 2,411 |
| Qualified XXXVIII | 850.818 | 5.78 | 4,918 |
| Qualified XLIII | 497.708 | 5.76 | 2,867 |
| Qualified LIII | 237.288 | 6.73 | 1,597 |
| Qualified LIV | 720.344 | 6.68 | 4,812 |
| Qualified LVI | 1,076.207 | 6.76 | 7,275 |
| | <u>170,339.858</u> | | <u>\$ 1,125,992</u> |
| ING Julius Baer Foreign Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 6,675.754 | \$ 11.39 | \$ 76,037 |
| Qualified VI | 1,170,853.378 | 10.87 | 12,727,176 |
| Qualified X (1.15) | 42,846.302 | 11.34 | 485,877 |
| Qualified X (1.25) | 91,946.153 | 11.29 | 1,038,072 |
| Qualified XII (0.00) | 562.436 | 11.53 | 6,485 |
| Qualified XII (0.10) | 149.547 | 11.47 | 1,715 |
| Qualified XII (0.25) | 30.083 | 11.39 | 343 |
| Qualified XII (0.30) | 8,137.011 | 11.36 | 92,436 |
| Qualified XII (0.35) | 53.112 | 11.34 | 602 |
| Qualified XII (0.40) | 59,974.056 | 11.31 | 678,307 |
| Qualified XII (0.50) | 342,688.437 | 11.26 | 3,858,672 |
| Qualified XII (0.55) | 22,344.998 | 11.23 | 250,934 |
| Qualified XII (0.60) | 15,110.166 | 11.21 | 169,385 |
| Qualified XII (0.65) | 29,906.595 | 11.18 | 334,356 |
| Qualified XII (0.70) | 25,169.028 | 11.15 | 280,635 |
| Qualified XII (0.75) | 138,663.085 | 11.13 | 1,543,320 |
| Qualified XII (0.80) | 47,392.982 | 11.10 | 526,062 |
| Qualified XII (0.85) | 98,359.405 | 11.08 | 1,089,822 |
| Qualified XII (0.90) | 13,865.657 | 11.05 | 153,216 |
| Qualified XII (0.95) | 103,800.666 | 11.02 | 1,143,883 |
| Qualified XII (1.00) | 599,153.440 | 11.00 | 6,590,688 |
| Qualified XII (1.05) | 8,259.247 | 10.97 | 90,604 |
| Qualified XII (1.10) | 19,218.018 | 10.95 | 210,437 |
| Qualified XII (1.15) | 32,705.911 | 10.92 | 357,149 |
| Qualified XII (1.20) | 3,515.889 | 10.90 | 38,323 |
| Qualified XII (1.25) | 54,619.230 | 10.87 | 593,711 |
| Qualified XII (1.30) | 21.630 | 10.85 | 235 |
| Qualified XII (1.35) | 93.124 | 10.82 | 1,008 |
| Qualified XII (1.40) | 2,537.047 | 10.80 | 27,400 |
| Qualified XII (1.45) | 4,346.036 | 10.77 | 46,807 |
| Qualified XII (1.50) | 29.779 | 10.75 | 320 |
| Qualified XV | 1,727.986 | 11.02 | 19,042 |
| Qualified XVI | 16,806.481 | 10.75 | 180,670 |
| Qualified XVII | 5,451.251 | 10.96 | 59,746 |
| Qualified XVIII | 9,915.378 | 11.41 | 113,134 |
| Qualified XXV | 5,155.169 | 11.14 | 57,429 |
| Qualified XXVI | 150.378 | 11.08 | 1,666 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|----------------------------------------------------------|----------------------|-------------------|-----------------------|
| ING Julius Baer Foreign Portfolio - Service Class | | | |
| (continued) | | | |
| Qualified XXXII | 1,983.841 | \$ 11.29 | \$ 22,398 |
| Qualified XXXVIII | 5,579.057 | 5.60 | 31,243 |
| Qualified XLIII | 1,010.710 | 5.58 | 5,640 |
| Qualified LIII | 2,453.830 | 9.96 | 24,440 |
| Qualified LIV | 31,366.166 | 9.89 | 310,211 |
| Qualified LVI | 9,724.179 | 10.00 | 97,242 |
| Qualified LIX | 135.442 | 11.35 | 1,537 |
| | <u>3,034,488.070</u> | | <u>\$ 33,338,415</u> |
| ING Legg Mason Value Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP15 | 1,711.840 | \$ 5.01 | \$ 8,576 |
| ING MAP PLUS NP17 | 3,153.142 | 5.00 | 15,766 |
| ING MAP PLUS NP18 | 601.533 | 4.99 | 3,002 |
| ING MAP PLUS NP23 | 2,159.289 | 4.94 | 10,667 |
| ING MAP PLUS NP24 | 308.229 | 4.93 | 1,520 |
| ING MAP PLUS NP28 | 2,096.853 | 4.90 | 10,275 |
| ING MAP PLUS NP29 | 40.186 | 4.89 | 197 |
| Qualified VI | 142,427.892 | 4.93 | 702,170 |
| Qualified XII (0.00) | 4,781.012 | 5.16 | 24,670 |
| Qualified XII (0.30) | 1,250.773 | 5.11 | 6,391 |
| Qualified XII (0.40) | 9,727.493 | 5.09 | 49,513 |
| Qualified XII (0.50) | 6,327.540 | 5.07 | 32,081 |
| Qualified XII (0.55) | 2,882.968 | 5.06 | 14,588 |
| Qualified XII (0.60) | 4,130.402 | 5.05 | 20,859 |
| Qualified XII (0.65) | 145.978 | 5.04 | 736 |
| Qualified XII (0.70) | 4,780.968 | 5.03 | 24,048 |
| Qualified XII (0.75) | 14,089.699 | 5.02 | 70,730 |
| Qualified XII (0.80) | 1,124.066 | 5.01 | 5,632 |
| Qualified XII (0.85) | 13,460.242 | 5.00 | 67,301 |
| Qualified XII (0.90) | 4,677.144 | 5.00 | 23,386 |
| Qualified XII (0.95) | 21,538.389 | 4.99 | 107,477 |
| Qualified XII (1.00) | 25,051.347 | 4.98 | 124,756 |
| Qualified XII (1.05) | 915.537 | 4.97 | 4,550 |
| Qualified XII (1.10) | 1,417.258 | 4.96 | 7,030 |
| Qualified XII (1.15) | 4,591.659 | 4.95 | 22,729 |
| Qualified XII (1.20) | 3,549.945 | 4.94 | 17,537 |
| Qualified XII (1.25) | 5,800.136 | 4.93 | 28,595 |
| Qualified XII (1.30) | 90.963 | 4.92 | 448 |
| Qualified XII (1.40) | 643.310 | 4.90 | 3,152 |
| Qualified XII (1.45) | 121.233 | 4.90 | 594 |
| Qualified XVI | 1,812.609 | 4.89 | 8,864 |
| Qualified XXV | 318.070 | 5.02 | 1,597 |
| Qualified XXVI | 203.330 | 5.00 | 1,017 |
| Qualified XXXVIII | 943.498 | 4.12 | 3,887 |
| Qualified LIII | 505.386 | 5.11 | 2,583 |
| Qualified LIV | 404.398 | 5.07 | 2,050 |
| Qualified LVI | 3,656.971 | 5.13 | 18,760 |
| | <u>291,441.288</u> | | <u>\$ 1,447,734</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-------------------------------------------------------------------|---------------|-------------------|-----------------------|
| ING Lord Abbett Affiliated Portfolio - Institutional Class | | | |
| Currently payable annuity contracts: | 134,137.149 | \$6.85 to \$7.04 | \$ 942,801 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 2,345.082 | 6.99 | 16,392 |
| ING MAP PLUS NP8 | 873.186 | 7.14 | 6,235 |
| ING MAP PLUS NP9 | 5,614.405 | 7.13 | 40,031 |
| ING MAP PLUS NP11 | 26,411.097 | 7.11 | 187,783 |
| ING MAP PLUS NP12 | 131.754 | 7.10 | 935 |
| ING MAP PLUS NP14 | 65.826 | 7.08 | 466 |
| ING MAP PLUS NP15 | 1,157.214 | 7.07 | 8,182 |
| ING MAP PLUS NP17 | 7,163.613 | 7.05 | 50,503 |
| ING MAP PLUS NP18 | 58,225.328 | 7.04 | 409,906 |
| ING MAP PLUS NP20 | 5,456.437 | 7.02 | 38,304 |
| ING MAP PLUS NP21 | 7,426.860 | 7.01 | 52,062 |
| ING MAP PLUS NP22 | 4,892.874 | 7.00 | 34,250 |
| ING MAP PLUS NP23 | 14,272.310 | 6.99 | 99,763 |
| ING MAP PLUS NP25 | 502.602 | 6.98 | 3,508 |
| ING MAP PLUS NP27 | 490.648 | 6.96 | 3,415 |
| ING MAP PLUS NP28 | 95.928 | 6.95 | 667 |
| ING MAP PLUS NP30 | 2,716.531 | 6.93 | 18,826 |
| ING MAP PLUS NP32 | 243.961 | 6.91 | 1,686 |
| ING MAP PLUS NP35 | 2,841.603 | 6.88 | 19,550 |
| Qualified V | 2,410.767 | 6.96 | 16,779 |
| Qualified VI | 2,960,798.577 | 6.99 | 20,695,982 |
| Qualified VIII | 2,270.640 | 6.98 | 15,849 |
| Qualified X (1.15) | 125,481.696 | 7.00 | 878,372 |
| Qualified X (1.25) | 474,937.469 | 6.99 | 3,319,813 |
| Qualified XII (0.00) | 10,634.165 | 7.22 | 76,779 |
| Qualified XII (0.20) | 54.675 | 7.19 | 393 |
| Qualified XII (0.25) | 10,697.269 | 7.18 | 76,806 |
| Qualified XII (0.30) | 731,179.399 | 7.17 | 5,242,556 |
| Qualified XII (0.40) | 55,548.295 | 7.15 | 397,170 |
| Qualified XII (0.50) | 176,093.247 | 7.13 | 1,255,545 |
| Qualified XII (0.55) | 119,096.541 | 7.12 | 847,967 |
| Qualified XII (0.60) | 178,167.709 | 7.11 | 1,266,772 |
| Qualified XII (0.65) | 592,199.599 | 7.10 | 4,204,617 |
| Qualified XII (0.70) | 142,735.808 | 7.09 | 1,011,997 |
| Qualified XII (0.75) | 640,099.953 | 7.08 | 4,531,908 |
| Qualified XII (0.80) | 182,999.354 | 7.07 | 1,293,805 |
| Qualified XII (0.85) | 490,972.395 | 7.06 | 3,466,265 |
| Qualified XII (0.90) | 30,342.501 | 7.05 | 213,915 |
| Qualified XII (0.95) | 603,799.697 | 7.04 | 4,250,750 |
| Qualified XII (1.00) | 1,647,462.771 | 7.03 | 11,581,663 |
| Qualified XII (1.05) | 64,914.724 | 7.02 | 455,701 |
| Qualified XII (1.10) | 56,368.632 | 7.01 | 395,144 |
| Qualified XII (1.15) | 84,464.339 | 7.00 | 591,250 |
| Qualified XII (1.20) | 30,780.614 | 7.00 | 215,464 |
| Qualified XII (1.25) | 223,697.748 | 6.99 | 1,563,647 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-------------------------------------------------------------------------------|-----------------------|-------------------|-----------------------|
| ING Lord Abbett Affiliated Portfolio - Institutional Class (continued) | | | |
| Qualified XII (1.30) | 2,543.294 | \$ 6.98 | \$ 17,752 |
| Qualified XII (1.35) | 1,369.471 | 6.97 | 9,545 |
| Qualified XII (1.40) | 21,794.787 | 6.96 | 151,692 |
| Qualified XII (1.45) | 8,189.009 | 6.95 | 56,914 |
| Qualified XII (1.50) | 12,195.009 | 6.94 | 84,633 |
| Qualified XIII | 857.565 | 7.04 | 6,037 |
| Qualified XV | 27,825.705 | 7.04 | 195,893 |
| Qualified XVI | 104,892.108 | 6.94 | 727,951 |
| Qualified XVII | 418.212 | 6.99 | 2,923 |
| Qualified XVIII | 12,198.256 | 7.03 | 85,754 |
| Qualified XXV | 68,909.826 | 7.08 | 487,882 |
| Qualified XXVI | 4,070.308 | 7.05 | 28,696 |
| Qualified XXXII | 2,481.295 | 6.99 | 17,344 |
| Qualified XXXVIII | 20,417.297 | 6.19 | 126,383 |
| Qualified XLIII | 3,566.494 | 6.17 | 22,005 |
| Qualified LIII | 22,201.800 | 7.15 | 158,743 |
| Qualified LIV | 101,749.734 | 7.11 | 723,441 |
| Qualified LVI | 56,094.524 | 7.19 | 403,320 |
| Qualified LIX | 7,208.029 | 7.13 | 51,393 |
| | <u>10,392,255.715</u> | | <u>\$ 73,160,475</u> |
| ING Lord Abbett Affiliated Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP12 | 21,129.313 | \$ 7.06 | \$ 149,173 |
| ING MAP PLUS NP15 | 1,955.277 | 7.03 | 13,746 |
| ING MAP PLUS NP16 | 48,740.887 | 7.02 | 342,161 |
| ING MAP PLUS NP26 | 66.603 | 6.93 | 462 |
| | <u>71,892.080</u> | | <u>\$ 505,542</u> |
| ING Marsico Growth Portfolio - Institutional Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 112.945 | \$ 6.56 | \$ 741 |
| Qualified VI | 151,929.963 | 6.56 | 996,661 |
| Qualified X (1.15) | 5,821.167 | 6.57 | 38,245 |
| Qualified X (1.25) | 33,497.720 | 6.56 | 219,745 |
| Qualified XII (0.00) | 2,031.474 | 6.62 | 13,448 |
| Qualified XII (0.30) | 3,318.903 | 6.61 | 21,938 |
| Qualified XII (0.40) | 8,683.961 | 6.60 | 57,314 |
| Qualified XII (0.50) | 95,443.362 | 6.60 | 629,926 |
| Qualified XII (0.55) | 6,014.232 | 6.60 | 39,694 |
| Qualified XII (0.60) | 4,452.514 | 6.59 | 29,342 |
| Qualified XII (0.65) | 1,169.501 | 6.59 | 7,707 |
| Qualified XII (0.70) | 3,312.039 | 6.59 | 21,826 |
| Qualified XII (0.75) | 20,524.634 | 6.59 | 135,257 |
| Qualified XII (0.80) | 11,712.887 | 6.45 | 75,548 |
| Qualified XII (0.85) | 20,381.383 | 6.58 | 134,110 |
| Qualified XII (0.90) | 1,616.324 | 6.58 | 10,635 |
| Qualified XII (0.95) | 57,857.884 | 6.58 | 380,705 |
| Qualified XII (1.00) | 82,531.233 | 6.58 | 543,056 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|------------------------------------------------------------------------------|--------------------|-------------------|-----------------------|
| ING Marsico Growth Portfolio - Institutional Class | | | |
| (continued) | | | |
| Qualified XII (1.05) | 1,310.374 | \$ 6.57 | \$ 8,609 |
| Qualified XII (1.10) | 2,788.776 | 6.57 | 18,322 |
| Qualified XII (1.15) | 8,080.586 | 6.57 | 53,089 |
| Qualified XII (1.20) | 3,657.662 | 6.57 | 24,031 |
| Qualified XII (1.25) | 24,173.127 | 6.56 | 158,576 |
| Qualified XII (1.30) | 7.700 | 6.56 | 51 |
| Qualified XII (1.40) | 887.012 | 6.56 | 5,819 |
| Qualified XII (1.45) | 1,124.895 | 6.55 | 7,368 |
| Qualified XV | 4,153.769 | 6.58 | 27,332 |
| Qualified XVI | 1,517.815 | 6.55 | 9,942 |
| Qualified XVIII | 2,798.607 | 6.56 | 18,359 |
| Qualified XXVI | 660.394 | 6.58 | 4,345 |
| Qualified XXVII | 222,270.344 | 6.45 | 1,433,644 |
| Qualified XXXII | 333.534 | 6.56 | 2,188 |
| Qualified XXXVIII | 1,451.131 | 6.62 | 9,606 |
| Qualified XLIII | 19.761 | 6.60 | 130 |
| Qualified LIII | 5,385.800 | 6.60 | 35,546 |
| Qualified LIV | 950.974 | 6.58 | 6,257 |
| Qualified LVI | 3,947.115 | 6.61 | 26,090 |
| Qualified LIX | 1,340.095 | 6.60 | 8,845 |
| | <u>797,271.597</u> | | <u>\$ 5,214,047</u> |
| ING Marsico Growth Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP8 | 3,989.485 | \$ 8.08 | \$ 32,235 |
| ING MAP PLUS NP9 | 16,587.161 | 8.06 | 133,693 |
| ING MAP PLUS NP10 | 22.839 | 8.05 | 184 |
| ING MAP PLUS NP11 | 795.651 | 8.03 | 6,389 |
| ING MAP PLUS NP12 | 2,971.524 | 8.02 | 23,832 |
| ING MAP PLUS NP17 | 10,138.441 | 7.94 | 80,499 |
| ING MAP PLUS NP19 | 924.252 | 7.91 | 7,311 |
| ING MAP PLUS NP21 | 160.336 | 7.89 | 1,265 |
| ING MAP PLUS NP23 | 511.340 | 7.86 | 4,019 |
| Qualified XII (0.60) | 406.442 | 8.03 | 3,264 |
| Qualified XII (0.75) | 64.290 | 7.99 | 514 |
| Qualified XXXV | 1,984.637 | 6.59 | 13,079 |
| | <u>38,556.398</u> | | <u>\$ 306,284</u> |
| ING Marsico International Opportunities Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 11,444.026 | \$ 5.68 | \$ 65,002 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| <u>Division/Contract</u> | <u>Units</u> | <u>Unit Value</u> | <u>Extended Value</u> |
|------------------------------------------------------------------------------|--------------------|-------------------|-----------------------|
| ING Marsico International Opportunities Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 227.058 | \$ 9.04 | \$ 2,053 |
| ING MAP PLUS NP9 | 193.154 | 9.29 | 1,794 |
| ING MAP PLUS NP11 | 1,811.337 | 9.26 | 16,773 |
| ING MAP PLUS NP12 | 777.024 | 9.24 | 7,180 |
| ING MAP PLUS NP17 | 5,260.844 | 9.16 | 48,189 |
| ING MAP PLUS NP18 | 172.094 | 9.14 | 1,573 |
| ING MAP PLUS NP25 | 833.618 | 9.02 | 7,519 |
| Qualified VI | 259,285.129 | 9.04 | 2,343,938 |
| Qualified XII (0.00) | 1,281.763 | 9.46 | 12,125 |
| Qualified XII (0.10) | 5.562 | 9.43 | 52 |
| Qualified XII (0.30) | 2,966.573 | 9.36 | 27,767 |
| Qualified XII (0.40) | 9,400.954 | 9.33 | 87,711 |
| Qualified XII (0.50) | 62,279.961 | 9.29 | 578,581 |
| Qualified XII (0.55) | 4,314.853 | 9.28 | 40,042 |
| Qualified XII (0.60) | 3,796.428 | 9.26 | 35,155 |
| Qualified XII (0.65) | 12,132.009 | 9.24 | 112,100 |
| Qualified XII (0.70) | 7,282.153 | 9.22 | 67,141 |
| Qualified XII (0.75) | 19,952.339 | 9.21 | 183,761 |
| Qualified XII (0.80) | 46,644.292 | 9.19 | 428,661 |
| Qualified XII (0.85) | 42,128.795 | 9.17 | 386,321 |
| Qualified XII (0.90) | 4,853.836 | 9.16 | 44,461 |
| Qualified XII (0.95) | 31,613.533 | 9.14 | 288,948 |
| Qualified XII (1.00) | 118,675.209 | 9.12 | 1,082,318 |
| Qualified XII (1.05) | 4,565.630 | 9.11 | 41,593 |
| Qualified XII (1.10) | 11,952.017 | 9.09 | 108,644 |
| Qualified XII (1.15) | 7,371.480 | 9.07 | 66,859 |
| Qualified XII (1.20) | 6,403.462 | 9.06 | 58,015 |
| Qualified XII (1.25) | 9,614.760 | 9.04 | 86,917 |
| Qualified XII (1.40) | 849.378 | 8.99 | 7,636 |
| Qualified XII (1.45) | 13.194 | 8.97 | 118 |
| Qualified XV | 1,160.159 | 9.14 | 10,604 |
| Qualified XVI | 4,651.185 | 8.96 | 41,675 |
| Qualified XXI | 6,715.798 | 9.19 | 61,718 |
| Qualified XXV | 236.844 | 9.21 | 2,181 |
| Qualified XXVI | 250.592 | 9.16 | 2,295 |
| Qualified XXXVIII | 5,294.303 | 4.95 | 26,207 |
| Qualified XLIII | 717.410 | 4.93 | 3,537 |
| Qualified LIII | 2,770.244 | 9.36 | 25,929 |
| Qualified LIV | 4,903.776 | 9.30 | 45,605 |
| Qualified LVI | 1,460.602 | 9.40 | 13,730 |
| Qualified LIX | 39.108 | 9.31 | 364 |
| | <u>704,858.460</u> | | <u>\$ 6,407,790</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| <u>Division/Contract</u> | <u>Units</u> | <u>Unit Value</u> | <u>Extended Value</u> |
|-------------------------------------------------------------|----------------------|-------------------|-----------------------|
| ING MFS Total Return Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 55,306.165 | \$ 8.99 | \$ 497,202 |
| ING MFS Total Return Portfolio - Institutional Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXVII | 3,186,933.641 | \$ 8.57 | \$ 27,312,021 |
| Qualified XXVIII | 2,837,022.334 | 8.58 | 24,341,652 |
| | <u>6,023,955.975</u> | | <u>\$ 51,653,673</u> |
| ING MFS Total Return Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 2,045.745 | \$ 9.87 | \$ 20,192 |
| ING MAP PLUS NP1 | 104.153 | 10.11 | 1,053 |
| ING MAP PLUS NP9 | 42,128.114 | 9.91 | 417,490 |
| ING MAP PLUS NP11 | 223.762 | 9.86 | 2,206 |
| ING MAP PLUS NP12 | 37,197.569 | 9.84 | 366,024 |
| ING MAP PLUS NP14 | 2,448.198 | 9.79 | 23,968 |
| ING MAP PLUS NP17 | 461.729 | 9.72 | 4,488 |
| ING MAP PLUS NP20 | 20,831.365 | 9.65 | 201,023 |
| ING MAP PLUS NP22 | 30.972 | 9.60 | 297 |
| ING MAP PLUS NP24 | 27.394 | 9.55 | 262 |
| ING MAP PLUS NP25 | 60.339 | 9.53 | 575 |
| ING MAP PLUS NP30 | 2,357.782 | 9.42 | 22,210 |
| Qualified V | 74.201 | 10.86 | 806 |
| Qualified VI | 845,711.799 | 11.42 | 9,658,029 |
| Qualified X (1.15) | 11,644.996 | 9.76 | 113,655 |
| Qualified X (1.25) | 56,958.358 | 9.72 | 553,635 |
| Qualified XII (0.00) | 1,856.387 | 12.47 | 23,149 |
| Qualified XII (0.25) | 8,302.763 | 12.30 | 102,124 |
| Qualified XII (0.30) | 3,661.372 | 12.27 | 44,925 |
| Qualified XII (0.40) | 20,095.794 | 12.20 | 245,169 |
| Qualified XII (0.50) | 32,506.394 | 12.12 | 393,977 |
| Qualified XII (0.55) | 3,329.869 | 12.10 | 40,291 |
| Qualified XII (0.60) | 5,213.723 | 12.07 | 62,930 |
| Qualified XII (0.65) | 6,642.418 | 12.03 | 79,908 |
| Qualified XII (0.70) | 17,715.489 | 12.00 | 212,586 |
| Qualified XII (0.75) | 47,571.438 | 11.97 | 569,430 |
| Qualified XII (0.80) | 73,523.594 | 11.91 | 875,666 |
| Qualified XII (0.85) | 98,517.862 | 11.87 | 1,169,407 |
| Qualified XII (0.90) | 12,637.384 | 11.85 | 149,753 |
| Qualified XII (0.95) | 107,236.745 | 11.80 | 1,265,394 |
| Qualified XII (1.00) | 243,050.428 | 11.77 | 2,860,704 |
| Qualified XII (1.05) | 17,226.820 | 11.74 | 202,243 |
| Qualified XII (1.10) | 53,152.680 | 11.70 | 621,886 |
| Qualified XII (1.15) | 28,139.219 | 11.67 | 328,385 |
| Qualified XII (1.20) | 17,724.368 | 11.64 | 206,312 |
| Qualified XII (1.25) | 85,308.882 | 11.61 | 990,436 |
| Qualified XII (1.30) | 1,273.579 | 11.58 | 14,748 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-------------------------------------------------------|----------------------|-------------------|-----------------------|
| ING MFS Total Return Portfolio - Service Class | | | |
| (continued) | | | |
| Qualified XII (1.35) | 427.601 | \$ 11.54 | \$ 4,935 |
| Qualified XII (1.40) | 5,991.448 | 11.51 | 68,962 |
| Qualified XII (1.45) | 1,904.713 | 11.48 | 21,866 |
| Qualified XII (1.50) | 597.016 | 11.45 | 6,836 |
| Qualified XV | 393.498 | 11.15 | 4,388 |
| Qualified XVI | 19,831.384 | 11.26 | 223,301 |
| Qualified XVII | 4,674.721 | 10.96 | 51,235 |
| Qualified XXV | 208.043 | 11.28 | 2,347 |
| Qualified XXVI | 409.420 | 11.18 | 4,577 |
| Qualified XXXII | 1,165.191 | 9.72 | 11,326 |
| Qualified XXXVIII | 3,589.203 | 7.63 | 27,386 |
| Qualified XLIII | 470.168 | 7.60 | 3,573 |
| Qualified LIII | 3,125.684 | 9.36 | 29,256 |
| Qualified LIV | 3,231.920 | 9.30 | 30,057 |
| Qualified LVI | 1,543.969 | 9.40 | 14,513 |
| | <u>1,954,557.663</u> | | <u>\$ 22,349,894</u> |
| ING MFS Utilities Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 1,626.432 | \$ 11.41 | \$ 18,558 |
| Qualified V | 287.836 | 11.34 | 3,264 |
| Qualified VI | 845,406.557 | 11.41 | 9,646,089 |
| Qualified XII (0.00) | 2,653.802 | 11.94 | 31,686 |
| Qualified XII (0.10) | 10.537 | 11.90 | 125 |
| Qualified XII (0.25) | 978.730 | 11.83 | 11,578 |
| Qualified XII (0.30) | 9,758.157 | 11.81 | 115,244 |
| Qualified XII (0.40) | 23,010.328 | 11.77 | 270,832 |
| Qualified XII (0.50) | 236,809.272 | 11.72 | 2,775,405 |
| Qualified XII (0.55) | 5,849.399 | 11.70 | 68,438 |
| Qualified XII (0.60) | 11,870.246 | 11.68 | 138,644 |
| Qualified XII (0.65) | 12,348.310 | 11.66 | 143,981 |
| Qualified XII (0.70) | 18,545.119 | 11.64 | 215,865 |
| Qualified XII (0.75) | 101,395.886 | 11.62 | 1,178,220 |
| Qualified XII (0.80) | 61,285.720 | 11.60 | 710,914 |
| Qualified XII (0.85) | 77,071.799 | 11.57 | 891,721 |
| Qualified XII (0.90) | 15,207.950 | 11.55 | 175,652 |
| Qualified XII (0.95) | 110,758.320 | 11.53 | 1,277,043 |
| Qualified XII (1.00) | 408,124.597 | 11.51 | 4,697,514 |
| Qualified XII (1.05) | 8,717.668 | 11.49 | 100,166 |
| Qualified XII (1.10) | 12,391.671 | 11.47 | 142,132 |
| Qualified XII (1.15) | 32,852.003 | 11.45 | 376,155 |
| Qualified XII (1.20) | 3,595.236 | 11.43 | 41,094 |
| Qualified XII (1.25) | 42,078.840 | 11.41 | 480,120 |
| Qualified XII (1.30) | 2,295.609 | 11.38 | 26,124 |
| Qualified XII (1.35) | 89.516 | 11.36 | 1,017 |
| Qualified XII (1.40) | 3,048.982 | 11.34 | 34,575 |
| Qualified XII (1.45) | 315.849 | 11.32 | 3,575 |
| Qualified XII (1.50) | 5.570 | 11.30 | 63 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|----------------------------------------------------------------|----------------------|-------------------|-----------------------|
| ING MFS Utilities Portfolio - Service Class (continued) | | | |
| Qualified XIII | 874.710 | \$ 11.53 | \$ 10,085 |
| Qualified XV | 4,027.191 | 11.53 | 46,434 |
| Qualified XVI | 18,959.533 | 11.30 | 214,243 |
| Qualified XVII | 1,270.394 | 11.41 | 14,495 |
| Qualified XXI | 21,966.407 | 11.60 | 254,810 |
| Qualified XXV | 9,651.905 | 11.62 | 112,155 |
| Qualified XXVI | 676.928 | 11.55 | 7,819 |
| Qualified XXXVIII | 8,933.139 | 6.31 | 56,368 |
| Qualified XLIII | 5,841.116 | 6.29 | 36,741 |
| Qualified LIII | 22,406.156 | 11.81 | 264,617 |
| Qualified LIV | 5,660.413 | 11.73 | 66,397 |
| Qualified LVI | 5,206.575 | 11.86 | 61,750 |
| Qualified LIX | 4,577.847 | 11.75 | 53,790 |
| | <u>2,158,442.255</u> | | <u>\$ 24,775,498</u> |
| ING Oppenheimer Main Street Portfolio® - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP9 | 467.581 | \$ 6.85 | \$ 3,203 |
| ING MAP PLUS NP10 | 866.288 | 6.84 | 5,925 |
| ING MAP PLUS NP11 | 6,503.171 | 6.83 | 44,417 |
| ING MAP PLUS NP12 | 5,230.025 | 6.82 | 35,669 |
| ING MAP PLUS NP14 | 3,652.690 | 6.80 | 24,838 |
| ING MAP PLUS NP15 | 12,530.091 | 6.79 | 85,079 |
| ING MAP PLUS NP17 | 1,349.247 | 6.77 | 9,134 |
| ING MAP PLUS NP22 | 1,200.165 | 6.73 | 8,077 |
| ING MAP PLUS NP24 | 860.343 | 6.71 | 5,773 |
| ING MAP PLUS NP25 | 282.966 | 6.70 | 1,896 |
| ING MAP PLUS NP26 | 887.250 | 6.69 | 5,936 |
| ING MAP PLUS NP29 | 876.182 | 6.66 | 5,835 |
| ING MAP PLUS NP32 | 244.869 | 6.64 | 1,626 |
| Qualified VI | 68,250.925 | 7.77 | 530,310 |
| Qualified XII (0.00) | 88.267 | 8.14 | 718 |
| Qualified XII (0.25) | 297.422 | 8.06 | 2,397 |
| Qualified XII (0.30) | 185.979 | 8.05 | 1,497 |
| Qualified XII (0.40) | 4,379.213 | 8.02 | 35,121 |
| Qualified XII (0.50) | 4,472.607 | 7.99 | 35,736 |
| Qualified XII (0.55) | 1,251.780 | 7.97 | 9,977 |
| Qualified XII (0.60) | 3,530.503 | 7.96 | 28,103 |
| Qualified XII (0.65) | 1,395.365 | 7.94 | 11,079 |
| Qualified XII (0.70) | 770.216 | 7.93 | 6,108 |
| Qualified XII (0.75) | 3,602.360 | 7.91 | 28,495 |
| Qualified XII (0.80) | 2,123.013 | 7.90 | 16,772 |
| Qualified XII (0.85) | 5,724.904 | 7.88 | 45,112 |
| Qualified XII (0.90) | 728.436 | 7.87 | 5,733 |
| Qualified XII (0.95) | 8,157.258 | 7.86 | 64,116 |
| Qualified XII (1.00) | 22,581.449 | 7.84 | 177,039 |
| Qualified XII (1.05) | 1,898.061 | 7.83 | 14,862 |
| Qualified XII (1.10) | 1,266.146 | 7.81 | 9,889 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---------------------------------------------------------------------------|--------------------|-------------------|-----------------------|
| ING Oppenheimer Main Street Portfolio® - Service Class (continued) | | | |
| Qualified XII (1.15) | 509.728 | \$ 7.80 | \$ 3,976 |
| Qualified XII (1.20) | 1,581.193 | 7.78 | 12,302 |
| Qualified XII (1.25) | 2,492.295 | 7.77 | 19,365 |
| Qualified XII (1.30) | 157.129 | 7.75 | 1,218 |
| Qualified XII (1.35) | 13.682 | 7.74 | 106 |
| Qualified XII (1.40) | 560.091 | 7.73 | 4,330 |
| Qualified XII (1.45) | 108.014 | 7.71 | 833 |
| Qualified XV | 1,567.184 | 7.86 | 12,318 |
| Qualified XVI | 1,616.014 | 7.70 | 12,443 |
| Qualified XXV | 44.574 | 7.91 | 353 |
| Qualified XXVI | 20.150 | 7.87 | 159 |
| Qualified LIII | 1,726.955 | 8.04 | 13,885 |
| Qualified LIV | 20.060 | 7.99 | 160 |
| Qualified LVI | 15.073 | 8.08 | 122 |
| | <u>176,086.914</u> | | <u>\$ 1,342,042</u> |
| ING PIMCO High Yield Portfolio - Institutional Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXVII | 59,567.654 | \$ 8.30 | \$ 494,412 |
| Qualified XXVIII | 13,797.171 | 8.31 | 114,654 |
| | <u>73,364.825</u> | | <u>\$ 609,066</u> |
| ING PIMCO High Yield Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 1,461.267 | \$ 8.77 | \$ 12,815 |
| ING MAP PLUS NP9 | 1,135.378 | 8.39 | 9,526 |
| ING MAP PLUS NP12 | 4,405.654 | 8.35 | 36,787 |
| ING MAP PLUS NP13 | 1,715.219 | 8.34 | 14,305 |
| ING MAP PLUS NP14 | 2,801.695 | 8.33 | 23,338 |
| ING MAP PLUS NP15 | 7,270.379 | 8.32 | 60,490 |
| ING MAP PLUS NP23 | 18.086 | 8.23 | 149 |
| ING MAP PLUS NP25 | 171.116 | 8.21 | 1,405 |
| Qualified VI | 176,821.513 | 8.77 | 1,550,725 |
| Qualified XII (0.00) | 696.170 | 9.18 | 6,391 |
| Qualified XII (0.30) | 3,073.030 | 9.08 | 27,903 |
| Qualified XII (0.40) | 10,277.624 | 9.04 | 92,910 |
| Qualified XII (0.50) | 87,760.873 | 9.01 | 790,725 |
| Qualified XII (0.55) | 411.608 | 8.99 | 3,700 |
| Qualified XII (0.60) | 4,155.314 | 8.98 | 37,315 |
| Qualified XII (0.65) | 3,810.324 | 8.96 | 34,141 |
| Qualified XII (0.70) | 19,366.112 | 8.95 | 173,327 |
| Qualified XII (0.75) | 8,146.989 | 8.93 | 72,753 |
| Qualified XII (0.80) | 9,270.875 | 8.91 | 82,604 |
| Qualified XII (0.85) | 29,565.366 | 8.90 | 263,132 |
| Qualified XII (0.90) | 4,417.150 | 8.88 | 39,224 |
| Qualified XII (0.95) | 16,989.735 | 8.86 | 150,529 |
| Qualified XII (1.00) | 50,113.612 | 8.85 | 443,505 |
| Qualified XII (1.05) | 5,396.698 | 8.83 | 47,653 |
| Qualified XII (1.10) | 1,596.877 | 8.81 | 14,068 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|------------------------------------------------------------------|--------------------|-------------------|-----------------------|
| ING PIMCO High Yield Portfolio - Service Class | | | |
| (continued) | | | |
| Qualified XII (1.15) | 2,705.302 | \$ 8.80 | \$ 23,807 |
| Qualified XII (1.20) | 2,612.090 | 8.78 | 22,934 |
| Qualified XII (1.25) | 11,335.789 | 8.77 | 99,415 |
| Qualified XII (1.30) | 48.621 | 8.75 | 425 |
| Qualified XII (1.40) | 1,585.405 | 8.72 | 13,825 |
| Qualified XII (1.45) | 753.716 | 8.70 | 6,557 |
| Qualified XIII | 102.049 | 8.86 | 904 |
| Qualified XV | 1,484.727 | 8.86 | 13,155 |
| Qualified XVI | 8,093.319 | 8.69 | 70,331 |
| Qualified XXI | 9,180.499 | 8.91 | 81,798 |
| Qualified XXV | 1,159.279 | 8.93 | 10,352 |
| Qualified XXXVIII | 5,710.342 | 7.69 | 43,913 |
| Qualified XLIII | 699.046 | 7.67 | 5,362 |
| Qualified LIII | 3,826.433 | 9.08 | 34,744 |
| Qualified LIV | 2,164.671 | 9.02 | 19,525 |
| Qualified LVI | 2,546.770 | 9.12 | 23,227 |
| Qualified LIX | 288.732 | 9.03 | 2,607 |
| | <u>505,145.454</u> | | <u>\$ 4,462,301</u> |
| ING Pioneer Equity Income Portfolio - Institutional Class | | | |
| Currently payable annuity contracts: | 321,813.591 | \$6.20 to \$6.35 | \$ 2,036,638 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 9,978.809 | 6.29 | 62,767 |
| ING MAP PLUS NP1 | 118,829.164 | 6.48 | 770,013 |
| ING MAP PLUS NP6 | 26,292.149 | 6.44 | 169,321 |
| ING MAP PLUS NP8 | 83,273.864 | 6.42 | 534,618 |
| ING MAP PLUS NP9 | 16,470.023 | 6.41 | 105,573 |
| ING MAP PLUS NP10 | 920.584 | 6.40 | 5,892 |
| ING MAP PLUS NP11 | 4,331.003 | 6.40 | 27,718 |
| ING MAP PLUS NP13 | 7,453.020 | 6.38 | 47,550 |
| ING MAP PLUS NP14 | 11,475.094 | 6.37 | 73,096 |
| ING MAP PLUS NP15 | 10,918.984 | 6.36 | 69,445 |
| ING MAP PLUS NP17 | 417.965 | 6.34 | 2,650 |
| ING MAP PLUS NP19 | 22,975.423 | 6.33 | 145,434 |
| ING MAP PLUS NP21 | 260.388 | 6.31 | 1,643 |
| ING MAP PLUS NP22 | 523.986 | 6.30 | 3,301 |
| ING MAP PLUS NP23 | 5,339.908 | 6.29 | 33,588 |
| ING MAP PLUS NP24 | 4,581.936 | 6.29 | 28,820 |
| ING MAP PLUS NP25 | 8,456.295 | 6.28 | 53,106 |
| ING MAP PLUS NP26 | 8,488.598 | 6.27 | 53,224 |
| ING MAP PLUS NP32 | 90.259 | 6.22 | 561 |
| Qualified VI | 3,716,467.126 | 6.29 | 23,376,578 |
| Qualified VIII | 4,886.750 | 6.29 | 30,738 |
| Qualified X (1.15) | 123,192.588 | 6.31 | 777,345 |
| Qualified X (1.25) | 208,364.798 | 6.29 | 1,310,615 |
| Qualified XII (0.00) | 5,502.675 | 6.50 | 35,767 |
| Qualified XII (0.10) | 141.106 | 6.49 | 916 |
| Qualified XII (0.20) | 522.090 | 6.47 | 3,378 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|------------------------------------------------------------------------------|-----------------------|-------------------|-----------------------|
| ING Pioneer Equity Income Portfolio - Institutional Class (continued) | | | |
| Qualified XII (0.25) | 6,475.241 | \$ 6.46 | \$ 41,830 |
| Qualified XII (0.30) | 605,801.859 | 6.45 | 3,907,422 |
| Qualified XII (0.35) | 1,937.171 | 6.44 | 12,475 |
| Qualified XII (0.40) | 220,247.589 | 6.43 | 1,416,192 |
| Qualified XII (0.50) | 1,238,564.699 | 6.42 | 7,951,585 |
| Qualified XII (0.55) | 181,409.320 | 6.41 | 1,162,834 |
| Qualified XII (0.60) | 78,541.275 | 6.40 | 502,664 |
| Qualified XII (0.65) | 95,174.867 | 6.39 | 608,167 |
| Qualified XII (0.70) | 169,127.828 | 6.38 | 1,079,036 |
| Qualified XII (0.75) | 864,613.479 | 6.37 | 5,507,588 |
| Qualified XII (0.80) | 862,180.854 | 6.36 | 5,483,470 |
| Qualified XII (0.85) | 626,384.788 | 6.36 | 3,983,807 |
| Qualified XII (0.90) | 100,143.643 | 6.35 | 635,912 |
| Qualified XII (0.95) | 640,956.811 | 6.34 | 4,063,666 |
| Qualified XII (1.00) | 2,802,649.491 | 6.33 | 17,740,771 |
| Qualified XII (1.05) | 84,222.290 | 6.32 | 532,285 |
| Qualified XII (1.10) | 117,145.398 | 6.31 | 739,187 |
| Qualified XII (1.15) | 206,884.865 | 6.31 | 1,305,444 |
| Qualified XII (1.20) | 12,131.165 | 6.30 | 76,426 |
| Qualified XII (1.25) | 156,353.073 | 6.29 | 983,461 |
| Qualified XII (1.30) | 7,697.288 | 6.28 | 48,339 |
| Qualified XII (1.35) | 311.622 | 6.27 | 1,954 |
| Qualified XII (1.40) | 15,530.973 | 6.26 | 97,224 |
| Qualified XII (1.45) | 3,583.773 | 6.25 | 22,399 |
| Qualified XII (1.50) | 1,155.882 | 6.25 | 7,224 |
| Qualified XIII | 186.860 | 6.34 | 1,185 |
| Qualified XV | 1,384.874 | 6.34 | 8,780 |
| Qualified XVI | 62,405.773 | 6.25 | 390,036 |
| Qualified XVII | 23,482.914 | 6.29 | 147,708 |
| Qualified XVIII | 27,245.771 | 6.33 | 172,466 |
| Qualified XXI | 60,248.918 | 6.36 | 383,183 |
| Qualified XXV | 27,390.246 | 6.37 | 174,476 |
| Qualified XXVI | 2,379.452 | 6.35 | 15,110 |
| Qualified XXVII | 3,054,174.384 | 6.33 | 19,332,924 |
| Qualified XXXII | 7,277.447 | 6.29 | 45,775 |
| Qualified XXXIII (0.65) | 156,726.942 | 6.39 | 1,001,485 |
| Qualified XXXVIII | 12,213.010 | 6.74 | 82,316 |
| Qualified XLIII | 5,391.798 | 6.72 | 36,233 |
| Qualified LIII | 11,187.328 | 6.44 | 72,046 |
| Qualified LIV | 264,070.787 | 6.40 | 1,690,053 |
| Qualified LVI | 21,763.852 | 6.47 | 140,812 |
| Qualified LIX | 225.536 | 6.42 | 1,448 |
| | <u>17,558,949.312</u> | | <u>\$ 111,367,693</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| <u>Division/Contract</u> | <u>Units</u> | <u>Unit Value</u> | <u>Extended Value</u> |
|---------------------------------------------------------|--------------|-------------------|-----------------------|
| ING Pioneer Fund Portfolio - Institutional Class | | | |
| Currently payable annuity contracts: | 19,753.518 | \$ 8.11 | \$ 160,201 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 997.218 | 7.26 | 7,240 |
| ING MAP PLUS NP1 | 118,252.274 | 7.48 | 884,527 |
| ING MAP PLUS NP8 | 18,203.306 | 7.41 | 134,887 |
| ING MAP PLUS NP9 | 11,480.349 | 7.40 | 84,955 |
| ING MAP PLUS NP10 | 301.800 | 7.39 | 2,230 |
| ING MAP PLUS NP11 | 4,106.066 | 7.38 | 30,303 |
| ING MAP PLUS NP12 | 13,361.551 | 7.37 | 98,475 |
| ING MAP PLUS NP13 | 866.529 | 7.36 | 6,378 |
| ING MAP PLUS NP14 | 5,373.263 | 7.35 | 39,493 |
| ING MAP PLUS NP15 | 8,557.089 | 7.34 | 62,809 |
| ING MAP PLUS NP17 | 1,063.742 | 7.32 | 7,787 |
| ING MAP PLUS NP18 | 1,436.252 | 7.31 | 10,499 |
| ING MAP PLUS NP23 | 533.216 | 7.26 | 3,871 |
| ING MAP PLUS NP24 | 1,223.237 | 7.25 | 8,868 |
| ING MAP PLUS NP25 | 1,964.312 | 7.24 | 14,222 |
| ING MAP PLUS NP26 | 1,413.841 | 7.23 | 10,222 |
| Qualified VI | 294,259.021 | 7.26 | 2,136,320 |
| Qualified VIII | 439.124 | 7.26 | 3,188 |
| Qualified X (1.15) | 42,407.132 | 7.28 | 308,724 |
| Qualified X (1.25) | 53,096.460 | 7.26 | 385,480 |
| Qualified XII (0.00) | 2,955.577 | 7.51 | 22,196 |
| Qualified XII (0.05) | 186,936.226 | 7.51 | 1,403,891 |
| Qualified XII (0.20) | 2,259.867 | 7.47 | 16,881 |
| Qualified XII (0.25) | 358.786 | 7.46 | 2,677 |
| Qualified XII (0.30) | 39,837.305 | 7.45 | 296,788 |
| Qualified XII (0.40) | 8,760.816 | 7.43 | 65,093 |
| Qualified XII (0.50) | 119,890.323 | 7.41 | 888,387 |
| Qualified XII (0.55) | 18,669.155 | 7.40 | 138,152 |
| Qualified XII (0.60) | 2,345.831 | 7.39 | 17,336 |
| Qualified XII (0.65) | 208,049.469 | 7.38 | 1,535,405 |
| Qualified XII (0.70) | 8,355.476 | 7.37 | 61,580 |
| Qualified XII (0.75) | 27,694.254 | 7.36 | 203,830 |
| Qualified XII (0.80) | 41,664.210 | 7.35 | 306,232 |
| Qualified XII (0.85) | 50,525.330 | 7.34 | 370,856 |
| Qualified XII (0.90) | 5,149.067 | 7.33 | 37,743 |
| Qualified XII (0.95) | 63,777.109 | 7.32 | 466,848 |
| Qualified XII (1.00) | 83,533.940 | 7.31 | 610,633 |
| Qualified XII (1.05) | 8,997.918 | 7.30 | 65,685 |
| Qualified XII (1.10) | 5,592.926 | 7.29 | 40,772 |
| Qualified XII (1.15) | 34,878.065 | 7.28 | 253,912 |
| Qualified XII (1.20) | 4,298.036 | 7.27 | 31,247 |
| Qualified XII (1.25) | 14,630.025 | 7.26 | 106,214 |
| Qualified XII (1.30) | 22.535 | 7.25 | 163 |
| Qualified XII (1.35) | 114.247 | 7.24 | 827 |
| Qualified XII (1.40) | 1,740.001 | 7.23 | 12,580 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|------------------------------------------------------------------|----------------------|-------------------|-----------------------|
| ING Pioneer Fund Portfolio - Institutional Class | | | |
| (continued) | | | |
| Qualified XII (1.45) | 326.629 | \$ 7.22 | \$ 2,358 |
| Qualified XV | 871.712 | 7.32 | 6,381 |
| Qualified XVI | 10,543.513 | 7.21 | 76,019 |
| Qualified XVII | 2,349.399 | 7.26 | 17,057 |
| Qualified XVIII | 2,275.568 | 7.31 | 16,634 |
| Qualified XXI | 2,070.239 | 7.35 | 15,216 |
| Qualified XXV | 1,182.370 | 7.36 | 8,702 |
| Qualified XXVI | 634.795 | 7.33 | 4,653 |
| Qualified XXXII | 1,336.828 | 7.26 | 9,705 |
| Qualified XXXVIII | 4,181.304 | 6.39 | 26,719 |
| Qualified XLIII | 263.662 | 6.37 | 1,680 |
| Qualified LIII | 228.440 | 7.44 | 1,700 |
| Qualified LIV | 8,479.371 | 7.39 | 62,663 |
| Qualified LVI | 3,298.372 | 7.47 | 24,639 |
| | <u>1,578,167.996</u> | | <u>\$ 11,630,733</u> |
| ING Pioneer Fund Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP13 | 65.482 | \$ 7.33 | \$ 480 |
| ING MAP PLUS NP19 | 10.372 | 7.28 | 76 |
| ING MAP PLUS NP25 | 661.698 | 7.22 | 4,777 |
| Qualified XII (1.00) | 14,211.698 | 7.26 | 103,177 |
| | <u>14,949.250</u> | | <u>\$ 108,510</u> |
| ING Pioneer Mid Cap Value Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 244.588 | \$ 7.14 | \$ 1,746 |
| ING Pioneer Mid Cap Value Portfolio - Institutional Class | | | |
| Currently payable annuity contracts: | | | |
| | 66,690.080 | \$ 7.39 | \$ 492,840 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 2,847.679 | 7.33 | 20,873 |
| ING MAP PLUS NP1 | 13,061.648 | 7.55 | 98,615 |
| ING MAP PLUS NP4 | 16,526.407 | 7.52 | 124,279 |
| ING MAP PLUS NP9 | 8,281.705 | 7.47 | 61,864 |
| ING MAP PLUS NP11 | 12,175.579 | 7.45 | 90,708 |
| ING MAP PLUS NP12 | 5,817.602 | 7.44 | 43,283 |
| ING MAP PLUS NP13 | 3,557.844 | 7.43 | 26,435 |
| ING MAP PLUS NP14 | 16,994.915 | 7.42 | 126,102 |
| ING MAP PLUS NP15 | 515.134 | 7.41 | 3,817 |
| ING MAP PLUS NP16 | 22,740.678 | 7.40 | 168,281 |
| ING MAP PLUS NP17 | 231.562 | 7.39 | 1,711 |
| ING MAP PLUS NP18 | 333.058 | 7.38 | 2,458 |
| ING MAP PLUS NP20 | 189.452 | 7.36 | 1,394 |
| ING MAP PLUS NP21 | 606.103 | 7.35 | 4,455 |
| ING MAP PLUS NP23 | 178.929 | 7.34 | 1,313 |
| ING MAP PLUS NP25 | 591.510 | 7.32 | 4,330 |
| ING MAP PLUS NP26 | 2,038.477 | 7.31 | 14,901 |
| ING MAP PLUS NP28 | 448.512 | 7.29 | 3,270 |
| ING MAP PLUS NP29 | 725.266 | 7.28 | 5,280 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|------------------------------------------------------------------------------|----------------------|-------------------|-----------------------|
| ING Pioneer Mid Cap Value Portfolio - Institutional Class (continued) | | | |
| ING MAP PLUS NP30 | 1,809.006 | \$ 7.27 | \$ 13,151 |
| Qualified V | 300.633 | 7.30 | 2,195 |
| Qualified VI | 1,820,095.884 | 7.33 | 13,341,303 |
| Qualified VIII | 42.188 | 7.33 | 309 |
| Qualified X (1.15) | 67,590.073 | 7.35 | 496,787 |
| Qualified X (1.25) | 130,542.235 | 7.33 | 956,875 |
| Qualified XII (0.00) | 3,331.269 | 7.58 | 25,251 |
| Qualified XII (0.05) | 57,418.897 | 7.58 | 435,235 |
| Qualified XII (0.10) | 102.176 | 7.56 | 772 |
| Qualified XII (0.20) | 254.293 | 7.54 | 1,917 |
| Qualified XII (0.25) | 1,474.968 | 7.53 | 11,107 |
| Qualified XII (0.30) | 111,759.588 | 7.52 | 840,432 |
| Qualified XII (0.40) | 37,963.773 | 7.50 | 284,728 |
| Qualified XII (0.50) | 1,140,145.218 | 7.48 | 8,528,286 |
| Qualified XII (0.55) | 64,062.312 | 7.47 | 478,545 |
| Qualified XII (0.60) | 101,159.684 | 7.46 | 754,651 |
| Qualified XII (0.65) | 379,480.961 | 7.45 | 2,827,133 |
| Qualified XII (0.70) | 95,969.687 | 7.44 | 714,014 |
| Qualified XII (0.75) | 360,540.067 | 7.43 | 2,678,813 |
| Qualified XII (0.80) | 743,213.398 | 7.42 | 5,514,643 |
| Qualified XII (0.85) | 244,138.717 | 7.41 | 1,809,068 |
| Qualified XII (0.90) | 40,053.147 | 7.40 | 296,393 |
| Qualified XII (0.95) | 221,746.736 | 7.39 | 1,638,708 |
| Qualified XII (1.00) | 1,420,080.511 | 7.38 | 10,480,194 |
| Qualified XII (1.05) | 30,014.400 | 7.37 | 221,206 |
| Qualified XII (1.10) | 33,073.371 | 7.36 | 243,420 |
| Qualified XII (1.15) | 56,637.512 | 7.35 | 416,286 |
| Qualified XII (1.20) | 19,686.843 | 7.34 | 144,501 |
| Qualified XII (1.25) | 82,796.056 | 7.33 | 606,895 |
| Qualified XII (1.30) | 14,059.624 | 7.32 | 102,916 |
| Qualified XII (1.35) | 1,652.475 | 7.31 | 12,080 |
| Qualified XII (1.40) | 14,693.045 | 7.30 | 107,259 |
| Qualified XII (1.45) | 6,746.775 | 7.29 | 49,184 |
| Qualified XIII | 242.815 | 7.39 | 1,794 |
| Qualified XV | 4,259.180 | 7.39 | 31,475 |
| Qualified XVI | 48,710.401 | 7.28 | 354,612 |
| Qualified XVII | 1,717.308 | 7.33 | 12,588 |
| Qualified XVIII | 4,990.621 | 7.38 | 36,831 |
| Qualified XXV | 19,064.884 | 7.43 | 141,652 |
| Qualified XXVI | 15,923.009 | 7.40 | 117,830 |
| Qualified XXVII | 1,146,541.467 | 7.33 | 8,404,149 |
| Qualified XXXII | 1,398.577 | 7.33 | 10,252 |
| Qualified XXXIII (0.65) | 62,485.278 | 7.45 | 465,515 |
| Qualified XXXVIII | 11,005.734 | 6.39 | 70,327 |
| Qualified XLIII | 29.769 | 6.37 | 190 |
| Qualified LIII | 11,735.326 | 7.51 | 88,132 |
| Qualified LIV | 38,821.481 | 7.46 | 289,608 |
| Qualified LVI | 11,537.666 | 7.54 | 86,994 |
| Qualified LIX | 2,907.881 | 7.48 | 21,751 |
| | <u>8,858,559.059</u> | | <u>\$ 65,464,166</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-------------------------------------------------------------------------|--------------------|-------------------|-----------------------|
| ING Pioneer Mid Cap Value Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 7,756.527 | \$ 7.52 | \$ 58,329 |
| ING MAP PLUS NP6 | 138.842 | 7.47 | 1,037 |
| ING MAP PLUS NP9 | 3,296.864 | 7.44 | 24,529 |
| ING MAP PLUS NP11 | 1,989.881 | 7.42 | 14,765 |
| ING MAP PLUS NP12 | 861.306 | 7.41 | 6,382 |
| ING MAP PLUS NP13 | 615.015 | 7.40 | 4,551 |
| ING MAP PLUS NP16 | 3,364.267 | 7.37 | 24,795 |
| ING MAP PLUS NP18 | 1,923.257 | 7.35 | 14,136 |
| ING MAP PLUS NP22 | 1,570.171 | 7.31 | 11,478 |
| ING MAP PLUS NP23 | 2,444.429 | 7.30 | 17,844 |
| ING MAP PLUS NP24 | 490.584 | 7.29 | 3,576 |
| ING MAP PLUS NP25 | 1,073.782 | 7.28 | 7,817 |
| ING MAP PLUS NP26 | 2,007.569 | 7.27 | 14,595 |
| | <u>27,532.494</u> | | <u>\$ 203,834</u> |
| ING Stock Index Portfolio - Institutional Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 1,579.229 | \$ 8.48 | \$ 13,392 |
| Qualified XII (0.00) | 26.731 | 8.84 | 236 |
| Qualified XII (0.05) | 257,341.817 | 8.82 | 2,269,755 |
| Qualified XII (0.40) | 912.684 | 8.68 | 7,922 |
| Qualified XII (0.75) | 1,572.665 | 8.54 | 13,431 |
| Qualified XII (0.80) | 7,253.636 | 8.52 | 61,801 |
| Qualified XII (1.00) | 677.078 | 8.44 | 5,715 |
| | <u>269,363.840</u> | | <u>\$ 2,372,252</u> |
| ING T. Rowe Price Capital Appreciation Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 73,733.868 | \$ 9.14 | \$ 673,928 |
| ING MAP PLUS NP1 | 144,861.086 | 9.53 | 1,380,526 |
| ING MAP PLUS NP8 | 31,840.306 | 9.41 | 299,617 |
| ING MAP PLUS NP9 | 22,784.705 | 9.39 | 213,948 |
| ING MAP PLUS NP10 | 457.064 | 9.37 | 4,283 |
| ING MAP PLUS NP11 | 68,703.111 | 9.36 | 643,061 |
| ING MAP PLUS NP12 | 23,685.191 | 9.34 | 221,220 |
| ING MAP PLUS NP14 | 6,779.059 | 9.31 | 63,113 |
| ING MAP PLUS NP15 | 30,306.351 | 9.29 | 281,546 |
| ING MAP PLUS NP16 | 2,501.175 | 9.27 | 23,186 |
| ING MAP PLUS NP17 | 85,127.716 | 9.25 | 787,431 |
| ING MAP PLUS NP18 | 6,497.741 | 9.24 | 60,039 |
| ING MAP PLUS NP19 | 39,035.759 | 9.22 | 359,910 |
| ING MAP PLUS NP23 | 26,469.154 | 9.15 | 242,193 |
| ING MAP PLUS NP24 | 4,494.633 | 9.14 | 41,081 |
| ING MAP PLUS NP25 | 10,244.913 | 9.12 | 93,434 |
| ING MAP PLUS NP26 | 10,807.595 | 9.10 | 98,349 |
| ING MAP PLUS NP28 | 892.406 | 9.07 | 8,094 |
| ING MAP PLUS NP29 | 281.219 | 9.05 | 2,545 |
| ING MAP PLUS NP30 | 1,771.194 | 9.04 | 16,012 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-----------------------------------------------------------------------------------------|-----------------------|-------------------|-----------------------|
| ING T. Rowe Price Capital Appreciation Portfolio - Service Class (continued) | | | |
| Qualified V | 3,475.689 | \$ 9.08 | \$ 31,559 |
| Qualified VI | 5,143,535.168 | 9.14 | 47,011,911 |
| Qualified VIII | 2,594.048 | 9.13 | 23,684 |
| Qualified XII (0.00) | 6,953.342 | 9.57 | 66,543 |
| Qualified XII (0.10) | 83.255 | 9.53 | 793 |
| Qualified XII (0.25) | 8,134.905 | 9.48 | 77,119 |
| Qualified XII (0.30) | 167,504.903 | 9.46 | 1,584,596 |
| Qualified XII (0.35) | 4,535.396 | 9.44 | 42,814 |
| Qualified XII (0.40) | 80,884.594 | 9.43 | 762,742 |
| Qualified XII (0.50) | 3,156,635.678 | 9.39 | 29,640,809 |
| Qualified XII (0.55) | 246,391.090 | 9.37 | 2,308,685 |
| Qualified XII (0.60) | 106,898.641 | 9.36 | 1,000,571 |
| Qualified XII (0.65) | 43,203.974 | 9.34 | 403,525 |
| Qualified XII (0.70) | 79,770.611 | 9.32 | 743,462 |
| Qualified XII (0.75) | 1,635,361.508 | 9.30 | 15,208,862 |
| Qualified XII (0.80) | 314,347.672 | 9.29 | 2,920,290 |
| Qualified XII (0.85) | 600,670.529 | 9.27 | 5,568,216 |
| Qualified XII (0.90) | 101,481.025 | 9.25 | 938,699 |
| Qualified XII (0.95) | 478,584.496 | 9.24 | 4,422,121 |
| Qualified XII (1.00) | 3,247,291.553 | 9.22 | 29,940,028 |
| Qualified XII (1.05) | 93,763.857 | 9.20 | 862,627 |
| Qualified XII (1.10) | 68,191.630 | 9.19 | 626,681 |
| Qualified XII (1.15) | 117,936.866 | 9.17 | 1,081,481 |
| Qualified XII (1.20) | 15,303.859 | 9.15 | 140,030 |
| Qualified XII (1.25) | 373,017.071 | 9.14 | 3,409,376 |
| Qualified XII (1.30) | 2,670.122 | 9.12 | 24,352 |
| Qualified XII (1.35) | 334.943 | 9.10 | 3,048 |
| Qualified XII (1.40) | 10,794.609 | 9.08 | 98,015 |
| Qualified XII (1.45) | 5,791.026 | 9.07 | 52,525 |
| Qualified XII (1.50) | 994.978 | 9.05 | 9,005 |
| Qualified XIII | 455.186 | 9.24 | 4,206 |
| Qualified XV | 10,316.399 | 9.24 | 95,324 |
| Qualified XVI | 91,305.453 | 9.05 | 826,314 |
| Qualified XVII | 13,658.867 | 9.14 | 124,842 |
| Qualified XXI | 32,285.087 | 9.29 | 299,928 |
| Qualified XXV | 95,900.694 | 9.30 | 891,876 |
| Qualified XXVI | 2,000.650 | 9.25 | 18,506 |
| Qualified XXXVIII | 17,769.021 | 7.14 | 126,871 |
| Qualified XLIII | 444.152 | 7.12 | 3,162 |
| Qualified LIII | 20,132.261 | 9.46 | 190,451 |
| Qualified LIV | 158,863.595 | 9.40 | 1,493,318 |
| Qualified LVI | 29,031.664 | 9.50 | 275,801 |
| | <u>17,180,574.313</u> | | <u>\$ 158,868,284</u> |
| ING T. Rowe Price Equity Income Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 116,220.582 | \$ 7.90 | \$ 918,143 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| <u>Division/Contract</u> | <u>Units</u> | <u>Unit Value</u> | <u>Extended Value</u> |
|------------------------------------------------------------------|---------------|-------------------|-----------------------|
| ING T. Rowe Price Equity Income Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 4,171.879 | \$ 8.95 | \$ 37,338 |
| ING MAP PLUS NP1 | 4,383.850 | 9.21 | 40,375 |
| ING MAP PLUS NP6 | 26,818.552 | 9.10 | 244,049 |
| ING MAP PLUS NP9 | 24,262.850 | 9.03 | 219,094 |
| ING MAP PLUS NP10 | 4,201.339 | 9.01 | 37,854 |
| ING MAP PLUS NP11 | 10,674.819 | 8.99 | 95,967 |
| ING MAP PLUS NP12 | 3,491.565 | 8.96 | 31,284 |
| ING MAP PLUS NP13 | 7,149.199 | 8.94 | 63,914 |
| ING MAP PLUS NP14 | 10,528.925 | 8.92 | 93,918 |
| ING MAP PLUS NP15 | 8,586.864 | 8.90 | 76,423 |
| ING MAP PLUS NP16 | 62.293 | 8.88 | 553 |
| ING MAP PLUS NP17 | 3,699.965 | 8.86 | 32,782 |
| ING MAP PLUS NP18 | 437.690 | 8.83 | 3,865 |
| ING MAP PLUS NP19 | 558.742 | 8.81 | 4,923 |
| ING MAP PLUS NP21 | 17,182.657 | 8.77 | 150,692 |
| ING MAP PLUS NP22 | 1,001.134 | 8.75 | 8,760 |
| ING MAP PLUS NP23 | 1,425.192 | 8.73 | 12,442 |
| ING MAP PLUS NP24 | 1,173.745 | 8.70 | 10,212 |
| ING MAP PLUS NP25 | 107.744 | 8.68 | 935 |
| ING MAP PLUS NP26 | 1,499.547 | 8.66 | 12,986 |
| ING MAP PLUS NP28 | 7,768.553 | 8.62 | 66,965 |
| ING MAP PLUS NP30 | 1,142.530 | 8.58 | 9,803 |
| ING MAP PLUS NP32 | 89.018 | 8.54 | 760 |
| Qualified VI | 861,176.476 | 11.46 | 9,869,082 |
| Qualified X (1.15) | 15,632.770 | 8.88 | 138,819 |
| Qualified X (1.25) | 61,258.840 | 8.85 | 542,141 |
| Qualified XII (0.00) | 7,322.649 | 12.30 | 90,069 |
| Qualified XII (0.05) | 149,177.484 | 12.22 | 1,822,949 |
| Qualified XII (0.25) | 1.437 | 12.13 | 17 |
| Qualified XII (0.30) | 25,956.178 | 12.10 | 314,070 |
| Qualified XII (0.40) | 20,902.656 | 12.03 | 251,459 |
| Qualified XII (0.50) | 211,117.941 | 11.95 | 2,522,859 |
| Qualified XII (0.55) | 13,397.987 | 11.93 | 159,838 |
| Qualified XII (0.60) | 13,977.887 | 11.90 | 166,337 |
| Qualified XII (0.65) | 11,778.703 | 11.87 | 139,813 |
| Qualified XII (0.70) | 29,593.728 | 11.83 | 350,094 |
| Qualified XII (0.75) | 39,616.392 | 11.80 | 467,473 |
| Qualified XII (0.80) | 57,425.220 | 11.75 | 674,746 |
| Qualified XII (0.85) | 59,740.176 | 11.70 | 698,960 |
| Qualified XII (0.90) | 17,037.040 | 11.68 | 198,993 |
| Qualified XII (0.95) | 4,028,893.450 | 11.64 | 46,896,320 |
| Qualified XII (1.00) | 311,881.357 | 11.60 | 3,617,824 |
| Qualified XII (1.05) | 11,747.157 | 11.57 | 135,915 |
| Qualified XII (1.10) | 44,337.564 | 11.54 | 511,655 |
| Qualified XII (1.15) | 35,273.841 | 11.51 | 406,002 |
| Qualified XII (1.20) | 12,810.812 | 11.48 | 147,068 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|------------------------------------------------------------------------------|----------------------|-------------------|-----------------------|
| ING T. Rowe Price Equity Income Portfolio - Service Class (continued) | | | |
| Qualified XII (1.25) | 59,042.932 | \$ 11.45 | \$ 676,042 |
| Qualified XII (1.30) | 41.006 | 11.42 | 468 |
| Qualified XII (1.35) | 425.496 | 11.38 | 4,842 |
| Qualified XII (1.40) | 4,909.680 | 11.35 | 55,725 |
| Qualified XII (1.45) | 88.901 | 11.32 | 1,006 |
| Qualified XII (1.50) | 516.854 | 11.29 | 5,835 |
| Qualified XIII | 953.957 | 10.96 | 10,455 |
| Qualified XV | 4,538.082 | 10.96 | 49,737 |
| Qualified XVI | 17,137.675 | 11.30 | 193,656 |
| Qualified XVII | 1,071.903 | 10.78 | 11,555 |
| Qualified XVIII | 3,052.673 | 8.94 | 27,291 |
| Qualified XXI | 158,900.498 | 11.06 | 1,757,440 |
| Qualified XXV | 1,345.789 | 11.09 | 14,925 |
| Qualified XXVI | 1,400.383 | 10.99 | 15,390 |
| Qualified XXXVIII | 16,188.733 | 6.25 | 101,180 |
| Qualified XLIII | 3,806.438 | 6.23 | 23,714 |
| Qualified LIII | 5,487.783 | 8.36 | 45,878 |
| Qualified LIV | 11,926.548 | 8.31 | 99,110 |
| Qualified LVI | 4,007.665 | 8.40 | 33,664 |
| Qualified LIX | 146.679 | 11.35 | 1,665 |
| | <u>6,475,466.072</u> | | <u>\$ 74,507,975</u> |
| ING Templeton Global Growth Portfolio - Institutional Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP9 | 1,866.659 | \$ 10.17 | \$ 18,984 |
| ING MAP PLUS NP11 | 2,324.408 | 10.14 | 23,570 |
| ING MAP PLUS NP14 | 1,748.247 | 10.10 | 17,657 |
| ING MAP PLUS NP16 | 22,721.749 | 10.08 | 229,035 |
| ING MAP PLUS NP17 | 3,110.129 | 10.06 | 31,288 |
| ING MAP PLUS NP18 | 24.012 | 10.05 | 241 |
| ING MAP PLUS NP19 | 1,186.819 | 10.04 | 11,916 |
| ING MAP PLUS NP20 | 27,025.058 | 10.02 | 270,791 |
| ING MAP PLUS NP21 | 2,830.713 | 10.01 | 28,335 |
| ING MAP PLUS NP23 | 6,783.906 | 9.98 | 67,703 |
| ING MAP PLUS NP25 | 1,722.616 | 9.96 | 17,157 |
| ING MAP PLUS NP26 | 4,045.957 | 9.94 | 40,217 |
| ING MAP PLUS NP28 | 30.878 | 9.92 | 306 |
| ING MAP PLUS NP32 | 7.357 | 9.86 | 73 |
| Qualified XII (1.00) | 1,685.930 | 10.04 | 16,927 |
| | <u>77,114.438</u> | | <u>\$ 774,200</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| <u>Division/Contract</u> | <u>Units</u> | <u>Unit Value</u> | <u>Extended Value</u> |
|--------------------------------------------------------------|--------------------|-------------------|-----------------------|
| ING Templeton Global Growth Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP21 | 36.118 | \$ 6.71 | \$ 242 |
| ING MAP PLUS NP26 | 8.949 | 6.66 | 60 |
| ING MAP PLUS NP29 | 193.541 | 6.64 | 1,285 |
| Qualified VI | 136,159.908 | 6.66 | 906,825 |
| Qualified VIII | 1,072.336 | 6.66 | 7,142 |
| Qualified XII (0.00) | 85.025 | 6.89 | 586 |
| Qualified XII (0.30) | 398.214 | 6.83 | 2,720 |
| Qualified XII (0.40) | 1,757.956 | 6.82 | 11,989 |
| Qualified XII (0.50) | 2,819.497 | 6.80 | 19,173 |
| Qualified XII (0.55) | 368.826 | 6.79 | 2,504 |
| Qualified XII (0.60) | 400.774 | 6.78 | 2,717 |
| Qualified XII (0.65) | 2,178.470 | 6.77 | 14,748 |
| Qualified XII (0.70) | 1,998.049 | 6.76 | 13,507 |
| Qualified XII (0.75) | 23,634.434 | 6.75 | 159,532 |
| Qualified XII (0.80) | 3,568.374 | 6.74 | 24,051 |
| Qualified XII (0.85) | 36,304.942 | 6.73 | 244,332 |
| Qualified XII (0.90) | 1,984.079 | 6.72 | 13,333 |
| Qualified XII (0.95) | 35,988.042 | 6.72 | 241,840 |
| Qualified XII (1.00) | 38,955.110 | 6.71 | 261,389 |
| Qualified XII (1.05) | 3,165.199 | 6.70 | 21,207 |
| Qualified XII (1.10) | 1,855.462 | 6.69 | 12,413 |
| Qualified XII (1.15) | 635.654 | 6.68 | 4,246 |
| Qualified XII (1.20) | 2,012.294 | 6.67 | 13,422 |
| Qualified XII (1.25) | 7,233.239 | 6.66 | 48,173 |
| Qualified XII (1.35) | 30.137 | 6.64 | 200 |
| Qualified XII (1.40) | 1,889.685 | 6.64 | 12,548 |
| Qualified XV | 13.415 | 6.72 | 90 |
| Qualified XVI | 1,767.773 | 6.62 | 11,703 |
| Qualified XXI | 3,375.441 | 6.74 | 22,750 |
| Qualified XXV | 2,135.870 | 6.75 | 14,417 |
| Qualified XXVI | 15.756 | 6.72 | 106 |
| Qualified XXXVIII | 828.140 | 5.92 | 4,903 |
| Qualified XLIII | 47.541 | 5.90 | 280 |
| Qualified LIII | 256.452 | 6.82 | 1,749 |
| Qualified LIV | 1,760.482 | 6.78 | 11,936 |
| Qualified LVI | 284.130 | 6.85 | 1,946 |
| | <u>315,219.314</u> | | <u>\$ 2,110,064</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| <u>Division/Contract</u> | <u>Units</u> | <u>Unit Value</u> | <u>Extended Value</u> |
|----------------------------------------------------------------------|-------------------|-------------------|-----------------------|
| ING Van Kampen Capital Growth Portfolio - Institutional Class | | | |
| Currently payable annuity contracts: | 497.000 | \$ 5.37 | \$ 2,669 |
| Contracts in accumulation period: | | | |
| Qualified VI | 18,975.492 | 5.51 | 104,555 |
| Qualified X (1.15) | 3,881.759 | 5.51 | 21,388 |
| Qualified X (1.25) | 5,388.541 | 5.51 | 29,691 |
| Qualified XII (0.00) | 33.802 | 5.56 | 188 |
| Qualified XII (0.40) | 159.795 | 5.55 | 887 |
| Qualified XII (0.50) | 986.834 | 5.54 | 5,467 |
| Qualified XII (0.55) | 15.895 | 5.54 | 88 |
| Qualified XII (0.60) | 127.780 | 5.54 | 708 |
| Qualified XII (0.65) | 16.222 | 5.54 | 90 |
| Qualified XII (0.70) | 698.072 | 5.53 | 3,860 |
| Qualified XII (0.75) | 11.108 | 5.53 | 61 |
| Qualified XII (0.80) | 578.347 | 5.53 | 3,198 |
| Qualified XII (0.85) | 2,435.071 | 5.53 | 13,466 |
| Qualified XII (0.90) | 37.830 | 5.53 | 209 |
| Qualified XII (0.95) | 1,315.489 | 5.52 | 7,262 |
| Qualified XII (1.00) | 3,657.759 | 5.52 | 20,191 |
| Qualified XII (1.05) | 449.728 | 5.52 | 2,483 |
| Qualified XII (1.10) | 90.344 | 5.52 | 499 |
| Qualified XII (1.15) | 22.085 | 5.51 | 122 |
| Qualified XII (1.20) | 865.956 | 5.51 | 4,771 |
| Qualified XII (1.25) | 231.902 | 5.51 | 1,278 |
| Qualified XII (1.30) | 0.726 | 5.51 | 4 |
| Qualified XII (1.35) | 16.800 | 5.51 | 93 |
| Qualified XII (1.45) | 44.238 | 5.50 | 243 |
| Qualified XVI | 556.229 | 5.50 | 3,059 |
| Qualified XXI | 3.611 | 5.53 | 20 |
| Qualified XXV | 89.720 | 5.53 | 496 |
| Qualified XXVII | 14,707.752 | 5.36 | 78,834 |
| Qualified XXXII | 835.198 | 5.51 | 4,602 |
| Qualified XXXVIII | 2,337.482 | 5.56 | 12,996 |
| Qualified LIV | 7,013.083 | 5.53 | 38,782 |
| | <u>66,081.650</u> | | <u>\$ 362,260</u> |
| ING Van Kampen Capital Growth Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP28 | 30.115 | \$ 5.49 | \$ 165 |
| Qualified XII (0.00) | 121.284 | 6.98 | 847 |
| Qualified XII (0.50) | 20,846.454 | 6.89 | 143,632 |
| | <u>20,997.853</u> | | <u>\$ 144,644</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| <u>Division/Contract</u> | <u>Units</u> | <u>Unit Value</u> | <u>Extended Value</u> |
|-----------------------------------------------------------------------|----------------------|-------------------|-----------------------|
| ING Van Kampen Growth and Income Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 2,979.117 | \$ 8.58 | \$ 25,561 |
| Qualified VI | 465,666.470 | 8.58 | 3,995,418 |
| Qualified XII (0.00) | 3,215.873 | 8.98 | 28,879 |
| Qualified XII (0.25) | 320.517 | 8.90 | 2,853 |
| Qualified XII (0.30) | 8,131.377 | 8.88 | 72,207 |
| Qualified XII (0.40) | 5,168.773 | 8.85 | 45,744 |
| Qualified XII (0.50) | 327,917.034 | 8.82 | 2,892,228 |
| Qualified XII (0.55) | 6,060.455 | 8.80 | 53,332 |
| Qualified XII (0.60) | 10,437.960 | 8.79 | 91,750 |
| Qualified XII (0.65) | 26,601.852 | 8.77 | 233,298 |
| Qualified XII (0.70) | 18,098.821 | 8.75 | 158,365 |
| Qualified XII (0.75) | 69,650.791 | 8.74 | 608,748 |
| Qualified XII (0.80) | 16,493.180 | 8.72 | 143,821 |
| Qualified XII (0.85) | 41,381.788 | 8.71 | 360,435 |
| Qualified XII (0.90) | 8,324.075 | 8.69 | 72,336 |
| Qualified XII (0.95) | 60,708.858 | 8.67 | 526,346 |
| Qualified XII (1.00) | 314,224.665 | 8.66 | 2,721,186 |
| Qualified XII (1.05) | 8,015.433 | 8.64 | 69,253 |
| Qualified XII (1.10) | 4,788.078 | 8.63 | 41,321 |
| Qualified XII (1.15) | 20,660.672 | 8.61 | 177,888 |
| Qualified XII (1.20) | 2,463.392 | 8.59 | 21,161 |
| Qualified XII (1.25) | 22,145.367 | 8.58 | 190,007 |
| Qualified XII (1.30) | 155.801 | 8.56 | 1,334 |
| Qualified XII (1.35) | 218.600 | 8.55 | 1,869 |
| Qualified XII (1.40) | 2,258.667 | 8.53 | 19,266 |
| Qualified XII (1.50) | 4.029 | 8.50 | 34 |
| Qualified XIII | 105.525 | 8.67 | 915 |
| Qualified XV | 578.954 | 8.67 | 5,020 |
| Qualified XVI | 13,808.711 | 8.50 | 117,374 |
| Qualified XXI | 6,334.671 | 8.72 | 55,238 |
| Qualified XXV | 8,527.569 | 8.74 | 74,531 |
| Qualified XXVI | 759.649 | 8.69 | 6,601 |
| Qualified XXXVIII | 6,919.097 | 6.59 | 45,597 |
| Qualified XLIII | 3,800.052 | 6.57 | 24,966 |
| Qualified LIII | 2,064.404 | 8.88 | 18,332 |
| Qualified LIV | 20,662.851 | 8.82 | 182,246 |
| Qualified LVI | 2,678.139 | 8.92 | 23,889 |
| Qualified LIX | 221.968 | 8.84 | 1,962 |
| | <u>1,512,553.235</u> | | <u>\$ 13,111,311</u> |
| ING Van Kampen Real Estate Portfolio - Institutional Class | | | |
| Currently payable annuity contracts: | 117,467.157 | \$ 6.16 | \$ 723,598 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-------------------------------------------------------------|--------------|-------------------|-----------------------|
| ING Van Kampen Real Estate Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 5,273.166 | \$ 6.07 | \$ 32,008 |
| ING MAP PLUS NP1 | 81,725.679 | 6.27 | 512,420 |
| ING MAP PLUS NP4 | 1,278.285 | 6.24 | 7,977 |
| ING MAP PLUS NP8 | 13,197.179 | 6.21 | 81,954 |
| ING MAP PLUS NP9 | 5,668.711 | 6.20 | 35,146 |
| ING MAP PLUS NP11 | 6,277.675 | 6.18 | 38,796 |
| ING MAP PLUS NP12 | 2,132.003 | 6.17 | 13,154 |
| ING MAP PLUS NP13 | 6,756.010 | 6.17 | 41,685 |
| ING MAP PLUS NP14 | 20,825.614 | 6.16 | 128,286 |
| ING MAP PLUS NP15 | 6,695.834 | 6.15 | 41,179 |
| ING MAP PLUS NP16 | 21.244 | 6.14 | 130 |
| ING MAP PLUS NP17 | 81.639 | 6.13 | 500 |
| ING MAP PLUS NP18 | 1,624.240 | 6.12 | 9,940 |
| ING MAP PLUS NP19 | 1,174.874 | 6.12 | 7,190 |
| ING MAP PLUS NP20 | 2,177.245 | 6.11 | 13,303 |
| ING MAP PLUS NP23 | 2,207.285 | 6.08 | 13,420 |
| ING MAP PLUS NP24 | 713.168 | 6.08 | 4,336 |
| ING MAP PLUS NP26 | 9,845.210 | 6.06 | 59,662 |
| ING MAP PLUS NP28 | 70.134 | 6.04 | 424 |
| Qualified V | 730.341 | 6.04 | 4,411 |
| Qualified VI | 607,737.142 | 6.07 | 3,688,964 |
| Qualified XII (0.00) | 3,411.356 | 6.27 | 21,389 |
| Qualified XII (0.25) | 309.045 | 6.23 | 1,925 |
| Qualified XII (0.30) | 8,763.748 | 6.22 | 54,511 |
| Qualified XII (0.40) | 32,634.464 | 6.21 | 202,660 |
| Qualified XII (0.50) | 808,288.370 | 6.19 | 5,003,305 |
| Qualified XII (0.55) | 15,437.176 | 6.18 | 95,402 |
| Qualified XII (0.60) | 5,647.507 | 6.17 | 34,845 |
| Qualified XII (0.65) | 17,157.698 | 6.16 | 105,691 |
| Qualified XII (0.70) | 16,289.630 | 6.16 | 100,344 |
| Qualified XII (0.75) | 94,090.120 | 6.15 | 578,654 |
| Qualified XII (0.80) | 79,392.117 | 6.14 | 487,468 |
| Qualified XII (0.85) | 131,923.458 | 6.13 | 808,691 |
| Qualified XII (0.90) | 9,895.632 | 6.12 | 60,561 |
| Qualified XII (0.95) | 87,635.364 | 6.12 | 536,328 |
| Qualified XII (1.00) | 554,232.301 | 6.11 | 3,386,359 |
| Qualified XII (1.05) | 14,403.975 | 6.10 | 87,864 |
| Qualified XII (1.10) | 14,365.544 | 6.09 | 87,486 |
| Qualified XII (1.15) | 23,845.334 | 6.08 | 144,980 |
| Qualified XII (1.20) | 1,940.629 | 6.07 | 11,780 |
| Qualified XII (1.25) | 36,902.278 | 6.07 | 223,997 |
| Qualified XII (1.30) | 3,120.515 | 6.06 | 18,910 |
| Qualified XII (1.40) | 1,382.316 | 6.04 | 8,349 |
| Qualified XII (1.45) | 18.312 | 6.03 | 110 |
| Qualified XII (1.50) | 67.572 | 6.03 | 407 |
| Qualified XV | 3,810.954 | 6.12 | 23,323 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-------------------------------------------------------------------------------|----------------------|-------------------|-----------------------|
| ING Van Kampen Real Estate Portfolio - Service Class (continued) | | | |
| Qualified XVI | 13,168.308 | \$ 6.03 | \$ 79,405 |
| Qualified XVII | 13.901 | 6.07 | 84 |
| Qualified XXI | 8,929.428 | 6.14 | 54,827 |
| Qualified XXV | 13,969.010 | 6.15 | 85,909 |
| Qualified XXVI | 2,360.154 | 6.12 | 14,444 |
| Qualified XXXVIII | 12,491.697 | 5.35 | 66,831 |
| Qualified XLIII | 452.298 | 5.33 | 2,411 |
| Qualified LIII | 13,969.573 | 6.21 | 86,751 |
| Qualified LIV | 6,625.216 | 6.17 | 40,878 |
| Qualified LVI | 5,650.189 | 6.24 | 35,257 |
| Qualified LIX | 295.701 | 6.19 | 1,830 |
| | <u>2,819,103.568</u> | | <u>\$ 17,288,851</u> |
| ING VP Index Plus International Equity Portfolio - Institutional Class | | | |
| Currently payable annuity contracts: | 104,337.094 | \$5.22 to \$5.25 | \$ 547,557 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 309.619 | 6.01 | 1,861 |
| Qualified VI | 516,586.394 | 6.01 | 3,104,684 |
| Qualified VIII | 16.547 | 6.00 | 99 |
| Qualified X (1.15) | 21,210.324 | 5.31 | 112,627 |
| Qualified X (1.25) | 104,328.544 | 5.31 | 553,985 |
| Qualified XII (0.00) | 176.250 | 6.11 | 1,077 |
| Qualified XII (0.05) | 16,567.809 | 6.11 | 101,229 |
| Qualified XII (0.20) | 894.450 | 6.09 | 5,447 |
| Qualified XII (0.25) | 546.289 | 6.09 | 3,327 |
| Qualified XII (0.30) | 35,921.247 | 6.08 | 218,401 |
| Qualified XII (0.35) | 264.433 | 6.08 | 1,608 |
| Qualified XII (0.40) | 8,248.516 | 6.08 | 50,151 |
| Qualified XII (0.50) | 66,049.427 | 6.07 | 400,920 |
| Qualified XII (0.55) | 5,621.863 | 6.06 | 34,068 |
| Qualified XII (0.60) | 10,347.315 | 6.06 | 62,705 |
| Qualified XII (0.65) | 16,958.112 | 6.06 | 102,766 |
| Qualified XII (0.70) | 14,813.476 | 6.05 | 89,622 |
| Qualified XII (0.75) | 99,286.689 | 6.05 | 600,684 |
| Qualified XII (0.80) | 79,193.826 | 6.04 | 478,331 |
| Qualified XII (0.85) | 85,620.283 | 6.04 | 517,147 |
| Qualified XII (0.90) | 9,823.595 | 6.03 | 59,236 |
| Qualified XII (0.95) | 109,318.488 | 6.03 | 659,190 |
| Qualified XII (1.00) | 196,247.788 | 6.03 | 1,183,374 |
| Qualified XII (1.05) | 7,960.505 | 6.02 | 47,922 |
| Qualified XII (1.10) | 18,605.309 | 6.02 | 112,004 |
| Qualified XII (1.15) | 29,755.903 | 6.01 | 178,833 |
| Qualified XII (1.20) | 1,429.637 | 6.01 | 8,592 |
| Qualified XII (1.25) | 21,973.521 | 6.01 | 132,061 |
| Qualified XII (1.35) | 47.480 | 6.00 | 285 |
| Qualified XII (1.40) | 5,840.237 | 5.99 | 34,983 |
| Qualified XII (1.45) | 446.943 | 5.99 | 2,677 |
| Qualified XII (1.50) | 37.977 | 5.98 | 227 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-----------------------------------------------------------------------------------------------|----------------------|-------------------|-----------------------|
| ING VP Index Plus International Equity Portfolio - Institutional Class (continued) | | | |
| Qualified XV | 5,780.993 | \$ 6.03 | \$ 34,859 |
| Qualified XVI | 12,165.724 | 5.98 | 72,751 |
| Qualified XVIII | 7,384.774 | 5.31 | 39,213 |
| Qualified XXI | 10,240.157 | 6.04 | 61,851 |
| Qualified XXV | 483.959 | 6.06 | 2,933 |
| Qualified XXVI | 74.720 | 6.04 | 451 |
| Qualified XXVII | 296,630.184 | 5.28 | 1,566,207 |
| Qualified XXXII | 864.987 | 5.31 | 4,593 |
| Qualified XXXVI | 3,334.234 | 6.06 | 20,205 |
| Qualified XXXVIII | 2,225.763 | 5.40 | 12,019 |
| Qualified LIII | 12,882.229 | 6.07 | 78,195 |
| Qualified LIV | 5,893.137 | 6.04 | 35,595 |
| Qualified LVI | 5,024.094 | 6.09 | 30,597 |
| Qualified LIX | 670.639 | 5.96 | 3,997 |
| | <u>1,952,441.484</u> | | <u>\$ 11,371,146</u> |
| ING VP Index Plus International Equity Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP28 | 168.389 | \$ 6.42 | \$ 1,081 |
| Qualified VI | 188,659.672 | 6.44 | 1,214,968 |
| Qualified X (1.15) | 9,429.492 | 6.46 | 60,915 |
| Qualified X (1.25) | 22,105.492 | 6.44 | 142,359 |
| Qualified XII (0.00) | 4,214.083 | 6.66 | 28,066 |
| Qualified XII (0.10) | 8.255 | 6.64 | 55 |
| Qualified XII (0.25) | 791.542 | 6.61 | 5,232 |
| Qualified XII (0.30) | 108.036 | 6.61 | 714 |
| Qualified XII (0.40) | 4,424.927 | 6.59 | 29,160 |
| Qualified XII (0.50) | 3,160.056 | 6.57 | 20,762 |
| Qualified XII (0.55) | 340.273 | 6.56 | 2,232 |
| Qualified XII (0.65) | 13,716.856 | 6.54 | 89,708 |
| Qualified XII (0.70) | 377.720 | 6.54 | 2,470 |
| Qualified XII (0.75) | 12,017.905 | 6.53 | 78,477 |
| Qualified XII (0.80) | 9,132.801 | 6.52 | 59,546 |
| Qualified XII (0.85) | 16,087.762 | 6.51 | 104,731 |
| Qualified XII (0.90) | 2,050.731 | 6.50 | 13,330 |
| Qualified XII (0.95) | 31,590.880 | 6.49 | 205,025 |
| Qualified XII (1.00) | 75,211.042 | 6.48 | 487,368 |
| Qualified XII (1.05) | 1,925.623 | 6.47 | 12,459 |
| Qualified XII (1.10) | 5,372.110 | 6.47 | 34,758 |
| Qualified XII (1.15) | 8,522.474 | 6.46 | 55,055 |
| Qualified XII (1.20) | 1,350.231 | 6.45 | 8,709 |
| Qualified XII (1.25) | 3,306.189 | 6.44 | 21,292 |
| Qualified XII (1.35) | 111.755 | 6.42 | 717 |
| Qualified XII (1.40) | 1,678.895 | 6.41 | 10,762 |
| Qualified XVI | 7,579.902 | 6.40 | 48,511 |
| Qualified XVIII | 10,570.117 | 6.48 | 68,494 |
| Qualified XXI | 3,633.810 | 6.52 | 23,692 |
| Qualified XXV | 2,859.870 | 6.53 | 18,675 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-----------------------------------------------------------------------------------------|--------------------|-------------------|-----------------------|
| ING VP Index Plus International Equity Portfolio - Service Class (continued) | | | |
| Qualified XXVII | 15.812 | \$ 6.61 | \$ 105 |
| Qualified XXXII | 527.978 | 6.44 | 3,400 |
| Qualified XXXV | 1,905.231 | 6.07 | 11,565 |
| Qualified XLIII | 446.222 | 5.37 | 2,396 |
| Qualified LIII | 4,868.903 | 6.60 | 32,135 |
| Qualified LIV | 1,464.408 | 6.55 | 9,592 |
| Qualified LVI | 3,260.583 | 6.62 | 21,585 |
| Qualified LIX | 509.341 | 6.57 | 3,346 |
| | <u>453,505.368</u> | | <u>\$ 2,933,447</u> |
| ING Wells Fargo Small Cap Disciplined Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP26 | 940.730 | \$ 6.63 | \$ 6,237 |
| Qualified VI | 26,420.399 | 6.64 | 175,431 |
| Qualified XII (0.00) | 6,810.073 | 6.86 | 46,717 |
| Qualified XII (0.30) | 27.070 | 6.81 | 184 |
| Qualified XII (0.40) | 504.882 | 6.79 | 3,428 |
| Qualified XII (0.50) | 16,805.174 | 6.77 | 113,771 |
| Qualified XII (0.55) | 4,152.706 | 6.76 | 28,072 |
| Qualified XII (0.65) | 10,605.536 | 6.75 | 71,587 |
| Qualified XII (0.75) | 2,048.838 | 6.73 | 13,789 |
| Qualified XII (0.80) | 2,145.801 | 6.72 | 14,420 |
| Qualified XII (0.85) | 1,067.086 | 6.71 | 7,160 |
| Qualified XII (0.90) | 1,947.664 | 6.70 | 13,049 |
| Qualified XII (0.95) | 3,548.549 | 6.69 | 23,740 |
| Qualified XII (1.00) | 8,812.022 | 6.68 | 58,864 |
| Qualified XII (1.05) | 46.135 | 6.67 | 308 |
| Qualified XII (1.10) | 45.942 | 6.67 | 306 |
| Qualified XII (1.15) | 1,989.221 | 6.66 | 13,248 |
| Qualified XII (1.20) | 105.053 | 6.65 | 699 |
| Qualified XII (1.25) | 1,842.818 | 6.64 | 12,236 |
| Qualified XII (1.40) | 633.175 | 6.61 | 4,185 |
| Qualified XII (1.45) | 10.664 | 6.60 | 70 |
| Qualified XVI | 218.668 | 6.59 | 1,441 |
| Qualified XXV | 210.070 | 6.73 | 1,414 |
| Qualified XXVII | 49,157.511 | 6.62 | 325,423 |
| Qualified XLIII | 21.051 | 6.44 | 136 |
| Qualified LIII | 1,669.446 | 6.80 | 11,352 |
| | <u>141,786.284</u> | | <u>\$ 947,267</u> |
| ING International Growth Opportunities Fund - Class Q | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP22 | 879.735 | \$ 7.92 | \$ 6,968 |
| ING MAP PLUS NP29 | 14.906 | 7.78 | 116 |
| | <u>894.641</u> | | <u>\$ 7,084</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| <u>Division/Contract</u> | <u>Units</u> | <u>Unit Value</u> | <u>Extended Value</u> |
|---------------------------------------------------------------------------|--------------------|-------------------|-----------------------|
| ING International SmallCap Multi-Manager Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 53,892.871 | \$ 9.84 | \$ 530,306 |
| ING MAP PLUS NP8 | 13,875.613 | 9.67 | 134,177 |
| ING MAP PLUS NP9 | 3,510.049 | 9.65 | 33,872 |
| ING MAP PLUS NP11 | 7,239.049 | 9.60 | 69,495 |
| ING MAP PLUS NP13 | 4.903 | 9.55 | 47 |
| ING MAP PLUS NP14 | 1,981.060 | 9.53 | 18,880 |
| ING MAP PLUS NP15 | 4,520.709 | 9.51 | 42,992 |
| ING MAP PLUS NP16 | 8,317.623 | 9.48 | 78,851 |
| ING MAP PLUS NP17 | 29.746 | 9.46 | 281 |
| ING MAP PLUS NP18 | 1,425.197 | 9.44 | 13,454 |
| ING MAP PLUS NP19 | 3,472.302 | 9.41 | 32,674 |
| ING MAP PLUS NP20 | 28,634.887 | 9.39 | 268,882 |
| ING MAP PLUS NP23 | 1,055.997 | 9.32 | 9,842 |
| ING MAP PLUS NP24 | 672.668 | 9.30 | 6,256 |
| ING MAP PLUS NP26 | 658.741 | 9.25 | 6,093 |
| ING MAP PLUS NP29 | 650.532 | 9.19 | 5,978 |
| ING MAP PLUS NP30 | 27.902 | 9.16 | 256 |
| ING MAP PLUS NP35 | 970.535 | 9.05 | 8,783 |
| | <u>130,940.384</u> | | <u>\$ 1,261,119</u> |
| ING American Century Large Company Value Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 10,645.977 | \$ 7.36 | \$ 78,354 |
| ING American Century Large Company Value Portfolio - Service Class | | | |
| Currently payable annuity contracts: | 6,707.613 | \$ 8.21 | \$ 55,070 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 929.494 | 7.93 | 7,371 |
| Qualified VI | 96,719.332 | 9.81 | 948,817 |
| Qualified X (1.15) | 18,398.562 | 7.87 | 144,797 |
| Qualified X (1.25) | 31,865.975 | 7.62 | 242,819 |
| Qualified XII (0.25) | 30.838 | 10.54 | 325 |
| Qualified XII (0.30) | 527.048 | 10.50 | 5,534 |
| Qualified XII (0.40) | 9,406.735 | 10.43 | 98,112 |
| Qualified XII (0.50) | 3,000.018 | 10.35 | 31,050 |
| Qualified XII (0.55) | 654.813 | 10.32 | 6,758 |
| Qualified XII (0.60) | 103.192 | 10.28 | 1,061 |
| Qualified XII (0.65) | 6,885.127 | 10.24 | 70,504 |
| Qualified XII (0.70) | 1,987.577 | 10.21 | 20,293 |
| Qualified XII (0.75) | 3,897.094 | 10.17 | 39,633 |
| Qualified XII (0.80) | 5,107.702 | 10.14 | 51,792 |
| Qualified XII (0.85) | 14,394.428 | 10.10 | 145,384 |
| Qualified XII (0.90) | 913.538 | 10.06 | 9,190 |
| Qualified XII (0.95) | 15,043.328 | 10.03 | 150,885 |
| Qualified XII (1.00) | 50,569.262 | 9.99 | 505,187 |
| Qualified XII (1.05) | 904.550 | 9.96 | 9,009 |
| Qualified XII (1.10) | 3,800.294 | 9.92 | 37,699 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-------------------------------------------------------------------------------------------|--------------------|-------------------|-----------------------|
| ING American Century Large Company Value Portfolio - Service Class (continued) | | | |
| Qualified XII (1.15) | 619.080 | \$ 9.88 | \$ 6,117 |
| Qualified XII (1.20) | 387.902 | 9.85 | 3,821 |
| Qualified XII (1.25) | 8,922.370 | 9.81 | 87,528 |
| Qualified XII (1.30) | 367.718 | 9.78 | 3,596 |
| Qualified XII (1.35) | 422.612 | 9.74 | 4,116 |
| Qualified XII (1.40) | 1,026.846 | 9.71 | 9,971 |
| Qualified XIII | 36.326 | 10.03 | 364 |
| Qualified XV | 892.547 | 10.03 | 8,952 |
| Qualified XVI | 2,158.726 | 9.64 | 20,810 |
| Qualified XXV | 684.031 | 10.17 | 6,957 |
| Qualified XXVI | 1,370.194 | 10.06 | 13,784 |
| Qualified XXXVIII | 138.217 | 6.05 | 836 |
| Qualified XLIII | 299.788 | 6.03 | 1,808 |
| Qualified LIII | 4,690.845 | 7.75 | 36,354 |
| Qualified LIV | 2,128.508 | 7.70 | 16,390 |
| Qualified LVI | 1,893.670 | 7.79 | 14,752 |
| | <u>297,885.900</u> | | <u>\$ 2,817,446</u> |
| ING American Century Small-Mid Cap Value Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 4,657.036 | \$ 8.28 | \$ 38,560 |
| ING American Century Small-Mid Cap Value Portfolio - Service Class | | | |
| Currently payable annuity contracts: | 20,897.102 | \$ 10.64 | \$ 222,345 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 570.841 | 9.95 | 5,680 |
| ING MAP PLUS NP10 | 4,515.965 | 10.23 | 46,198 |
| ING MAP PLUS NP11 | 4,146.402 | 10.21 | 42,335 |
| ING MAP PLUS NP15 | 7,526.132 | 10.11 | 76,089 |
| ING MAP PLUS NP16 | 31.472 | 10.08 | 317 |
| ING MAP PLUS NP19 | 671.100 | 10.01 | 6,718 |
| ING MAP PLUS NP21 | 7,244.716 | 9.96 | 72,157 |
| ING MAP PLUS NP22 | 364.576 | 9.94 | 3,624 |
| ING MAP PLUS NP26 | 530.482 | 9.84 | 5,220 |
| ING MAP PLUS NP28 | 267.559 | 9.79 | 2,619 |
| Qualified V | 107.753 | 10.83 | 1,167 |
| Qualified VI | 234,492.737 | 10.94 | 2,565,351 |
| Qualified X (1.15) | 18,367.288 | 11.02 | 202,408 |
| Qualified X (1.25) | 20,233.828 | 10.94 | 221,358 |
| Qualified XII (0.00) | 296.519 | 11.90 | 3,529 |
| Qualified XII (0.05) | 39,840.049 | 11.75 | 468,121 |
| Qualified XII (0.10) | 16.136 | 11.82 | 191 |
| Qualified XII (0.25) | 814.507 | 11.70 | 9,530 |
| Qualified XII (0.30) | 10,524.938 | 11.66 | 122,721 |
| Qualified XII (0.35) | 11.355 | 11.62 | 132 |
| Qualified XII (0.40) | 10,979.477 | 11.58 | 127,142 |
| Qualified XII (0.50) | 27,666.099 | 11.51 | 318,437 |
| Qualified XII (0.55) | 1,742.173 | 11.47 | 19,983 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---------------------------------------------------------------------------------------|----------------------|-------------------|-----------------------|
| ING American Century Small-Mid Cap Value Portfolio - Service Class (continued) | | | |
| Qualified XII (0.60) | 13,719.996 | \$ 11.43 | \$ 156,820 |
| Qualified XII (0.65) | 13,474.229 | 11.39 | 153,471 |
| Qualified XII (0.70) | 14,960.016 | 11.35 | 169,796 |
| Qualified XII (0.75) | 32,018.744 | 11.32 | 362,452 |
| Qualified XII (0.80) | 4,843.192 | 11.28 | 54,631 |
| Qualified XII (0.85) | 25,079.617 | 11.24 | 281,895 |
| Qualified XII (0.90) | 1,457.982 | 11.20 | 16,329 |
| Qualified XII (0.95) | 1,194,533.884 | 11.17 | 13,342,943 |
| Qualified XII (1.00) | 186,081.181 | 11.13 | 2,071,084 |
| Qualified XII (1.05) | 4,519.133 | 11.09 | 50,117 |
| Qualified XII (1.10) | 7,798.831 | 11.05 | 86,177 |
| Qualified XII (1.15) | 5,152.750 | 11.02 | 56,783 |
| Qualified XII (1.20) | 853.111 | 10.98 | 9,367 |
| Qualified XII (1.25) | 15,366.474 | 10.94 | 168,109 |
| Qualified XII (1.30) | 180.160 | 10.91 | 1,966 |
| Qualified XII (1.35) | 133.654 | 10.87 | 1,453 |
| Qualified XII (1.40) | 2,224.501 | 10.84 | 24,114 |
| Qualified XII (1.45) | 46.225 | 10.80 | 499 |
| Qualified XIII | 329.895 | 11.17 | 3,685 |
| Qualified XV | 913.672 | 11.17 | 10,206 |
| Qualified XVI | 11,663.003 | 10.76 | 125,494 |
| Qualified XVII | 3,613.704 | 10.94 | 39,534 |
| Qualified XVIII | 3,077.430 | 11.13 | 34,252 |
| Qualified XXI | 6,123.624 | 11.28 | 69,074 |
| Qualified XXV | 1,026.947 | 11.32 | 11,625 |
| Qualified XXVI | 142.953 | 11.20 | 1,601 |
| Qualified XXXII | 222.276 | 10.38 | 2,307 |
| Qualified XXXVIII | 11,028.332 | 7.02 | 77,419 |
| Qualified XLIII | 194.106 | 7.00 | 1,359 |
| Qualified LIII | 7,260.216 | 9.24 | 67,084 |
| Qualified LIV | 3,771.859 | 9.18 | 34,626 |
| Qualified LVI | 4,346.838 | 9.28 | 40,339 |
| Qualified LIX | 430.384 | 11.65 | 5,014 |
| | <u>1,988,448.125</u> | | <u>\$ 22,074,997</u> |
| ING Baron Asset Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP6 | 4,944.370 | \$ 6.49 | \$ 32,089 |
| ING MAP PLUS NP8 | 32,074.442 | 6.47 | 207,522 |
| ING MAP PLUS NP9 | 16,026.088 | 6.46 | 103,529 |
| ING MAP PLUS NP10 | 3,354.729 | 6.45 | 21,638 |
| ING MAP PLUS NP11 | 13,943.623 | 6.44 | 89,797 |
| ING MAP PLUS NP13 | 2,816.485 | 6.43 | 18,110 |
| ING MAP PLUS NP14 | 19,271.539 | 6.42 | 123,723 |
| ING MAP PLUS NP15 | 1,975.011 | 6.41 | 12,660 |
| ING MAP PLUS NP17 | 25,334.266 | 6.39 | 161,886 |
| ING MAP PLUS NP18 | 3,546.947 | 6.38 | 22,630 |
| ING MAP PLUS NP19 | 18,289.897 | 6.38 | 116,690 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--------------------------------------------------------------|--------------------|-------------------|-----------------------|
| ING Baron Asset Portfolio - Service Class (continued) | | | |
| ING MAP PLUS NP20 | 15,109.064 | \$ 6.37 | \$ 96,245 |
| ING MAP PLUS NP21 | 18,992.439 | 6.36 | 120,792 |
| ING MAP PLUS NP22 | 192.754 | 6.35 | 1,224 |
| ING MAP PLUS NP23 | 12,312.076 | 6.34 | 78,059 |
| ING MAP PLUS NP24 | 0.670 | 6.33 | 4 |
| ING MAP PLUS NP26 | 1,849.024 | 6.32 | 11,686 |
| ING MAP PLUS NP27 | 301.113 | 6.31 | 1,900 |
| ING MAP PLUS NP28 | 1,802.319 | 6.30 | 11,355 |
| ING MAP PLUS NP29 | 3,101.587 | 6.29 | 19,509 |
| ING MAP PLUS NP30 | 3.232 | 6.28 | 20 |
| ING MAP PLUS NP32 | 26.689 | 6.27 | 167 |
| Qualified VI | 47,182.877 | 6.32 | 298,196 |
| Qualified XII (0.00) | 1.458 | 6.53 | 10 |
| Qualified XII (0.30) | 741.613 | 6.48 | 4,806 |
| Qualified XII (0.40) | 1,863.333 | 6.46 | 12,037 |
| Qualified XII (0.50) | 37,554.739 | 6.44 | 241,853 |
| Qualified XII (0.55) | 954.898 | 6.44 | 6,150 |
| Qualified XII (0.60) | 2,087.373 | 6.43 | 13,422 |
| Qualified XII (0.65) | 1,079.072 | 6.42 | 6,928 |
| Qualified XII (0.70) | 564.931 | 6.41 | 3,621 |
| Qualified XII (0.75) | 3,523.673 | 6.40 | 22,552 |
| Qualified XII (0.80) | 2,611.102 | 6.39 | 16,685 |
| Qualified XII (0.85) | 9,103.353 | 6.38 | 58,079 |
| Qualified XII (0.90) | 339.204 | 6.38 | 2,164 |
| Qualified XII (0.95) | 4,104.793 | 6.37 | 26,148 |
| Qualified XII (1.00) | 12,398.742 | 6.36 | 78,856 |
| Qualified XII (1.05) | 882.231 | 6.35 | 5,602 |
| Qualified XII (1.10) | 1,431.429 | 6.34 | 9,075 |
| Qualified XII (1.15) | 1,249.483 | 6.33 | 7,909 |
| Qualified XII (1.20) | 1,162.013 | 6.32 | 7,344 |
| Qualified XII (1.25) | 2,699.959 | 6.32 | 17,064 |
| Qualified XII (1.40) | 208.429 | 6.29 | 1,311 |
| Qualified XII (1.45) | 5.685 | 6.28 | 36 |
| Qualified XV | 10.185 | 6.37 | 65 |
| Qualified XVI | 3,290.818 | 6.27 | 20,633 |
| Qualified XXVI | 175.307 | 6.38 | 1,118 |
| Qualified XXXVIII | 40.951 | 5.76 | 236 |
| Qualified XLIII | 328.202 | 5.75 | 1,887 |
| Qualified LIV | 1,034.222 | 6.43 | 6,650 |
| Qualified LVI | 667.992 | 6.50 | 4,342 |
| | <u>332,566.431</u> | | <u>\$ 2,126,014</u> |
| ING Baron Small Cap Growth Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 29,810.779 | \$ 7.25 | \$ 216,128 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| <u>Division/Contract</u> | <u>Units</u> | <u>Unit Value</u> | <u>Extended Value</u> |
|-------------------------------------------------------------|---------------|-------------------|-----------------------|
| ING Baron Small Cap Growth Portfolio - Service Class | | | |
| Currently payable annuity contracts: | 53,062.269 | \$ 9.49 | \$ 503,561 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 1,128.980 | 8.91 | 10,059 |
| ING MAP PLUS NP1 | 8,253.538 | 9.46 | 78,078 |
| ING MAP PLUS NP4 | 9,999.393 | 9.39 | 93,894 |
| ING MAP PLUS NP6 | 3,440.740 | 9.34 | 32,137 |
| ING MAP PLUS NP8 | 24,877.661 | 9.30 | 231,362 |
| ING MAP PLUS NP9 | 23,204.115 | 9.27 | 215,102 |
| ING MAP PLUS NP10 | 662.717 | 9.25 | 6,130 |
| ING MAP PLUS NP11 | 30,352.052 | 9.23 | 280,149 |
| ING MAP PLUS NP12 | 7,903.891 | 9.21 | 72,795 |
| ING MAP PLUS NP13 | 2,376.939 | 9.18 | 21,820 |
| ING MAP PLUS NP14 | 16,872.225 | 9.16 | 154,550 |
| ING MAP PLUS NP15 | 40,243.671 | 9.14 | 367,827 |
| ING MAP PLUS NP16 | 2,248.442 | 9.12 | 20,506 |
| ING MAP PLUS NP17 | 11,263.944 | 9.09 | 102,389 |
| ING MAP PLUS NP18 | 16,165.674 | 9.07 | 146,623 |
| ING MAP PLUS NP19 | 8,758.895 | 9.05 | 79,268 |
| ING MAP PLUS NP20 | 43,781.560 | 9.03 | 395,347 |
| ING MAP PLUS NP21 | 17,765.048 | 9.00 | 159,885 |
| ING MAP PLUS NP22 | 106.980 | 8.98 | 961 |
| ING MAP PLUS NP23 | 13,644.765 | 8.96 | 122,257 |
| ING MAP PLUS NP24 | 2,585.187 | 8.94 | 23,112 |
| ING MAP PLUS NP26 | 2,033.352 | 8.89 | 18,077 |
| ING MAP PLUS NP27 | 364.582 | 8.87 | 3,234 |
| ING MAP PLUS NP28 | 1,596.418 | 8.85 | 14,128 |
| ING MAP PLUS NP29 | 31.381 | 8.83 | 277 |
| ING MAP PLUS NP30 | 2,981.669 | 8.81 | 26,269 |
| ING MAP PLUS NP32 | 50.288 | 8.76 | 441 |
| Qualified VI | 1,032,298.907 | 10.61 | 10,952,691 |
| Qualified X (1.15) | 62,552.022 | 10.68 | 668,056 |
| Qualified X (1.25) | 109,538.205 | 10.61 | 1,162,200 |
| Qualified XII (0.00) | 5,482.575 | 11.54 | 63,269 |
| Qualified XII (0.05) | 42,357.627 | 11.40 | 482,877 |
| Qualified XII (0.10) | 198.865 | 11.46 | 2,279 |
| Qualified XII (0.25) | 1,616.228 | 11.35 | 18,344 |
| Qualified XII (0.30) | 42,300.024 | 11.31 | 478,413 |
| Qualified XII (0.35) | 1,445.872 | 11.27 | 16,295 |
| Qualified XII (0.40) | 45,355.326 | 11.23 | 509,340 |
| Qualified XII (0.50) | 1,201,988.239 | 11.16 | 13,414,189 |
| Qualified XII (0.55) | 37,115.218 | 11.12 | 412,721 |
| Qualified XII (0.60) | 38,971.850 | 11.08 | 431,808 |
| Qualified XII (0.65) | 38,438.428 | 11.05 | 424,745 |
| Qualified XII (0.70) | 31,643.649 | 11.01 | 348,397 |
| Qualified XII (0.75) | 170,720.709 | 10.97 | 1,872,806 |
| Qualified XII (0.80) | 61,280.157 | 10.94 | 670,405 |
| Qualified XII (0.85) | 167,687.470 | 10.90 | 1,827,793 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-------------------------------------------------------------------------|----------------------|-------------------|-----------------------|
| ING Baron Small Cap Growth Portfolio - Service Class (continued) | | | |
| Qualified XII (0.90) | 26,244.655 | \$ 10.86 | \$ 285,017 |
| Qualified XII (0.95) | 1,047,522.418 | 10.83 | 11,344,668 |
| Qualified XII (1.00) | 554,432.848 | 10.79 | 5,982,330 |
| Qualified XII (1.05) | 15,893.805 | 10.76 | 171,017 |
| Qualified XII (1.10) | 26,313.748 | 10.72 | 282,083 |
| Qualified XII (1.15) | 47,092.798 | 10.68 | 502,951 |
| Qualified XII (1.20) | 10,006.213 | 10.65 | 106,566 |
| Qualified XII (1.25) | 53,816.420 | 10.61 | 570,992 |
| Qualified XII (1.30) | 69.211 | 10.58 | 732 |
| Qualified XII (1.35) | 916.424 | 10.54 | 9,659 |
| Qualified XII (1.40) | 6,826.595 | 10.51 | 71,748 |
| Qualified XII (1.45) | 937.313 | 10.47 | 9,814 |
| Qualified XII (1.50) | 264.733 | 10.44 | 2,764 |
| Qualified XIII | 1,179.538 | 10.83 | 12,774 |
| Qualified XV | 484.318 | 10.83 | 5,245 |
| Qualified XVI | 33,410.082 | 10.44 | 348,801 |
| Qualified XVII | 2,885.923 | 10.61 | 30,620 |
| Qualified XVIII | 2,964.675 | 10.79 | 31,989 |
| Qualified XXI | 20,859.399 | 10.94 | 228,202 |
| Qualified XXV | 7,435.754 | 10.97 | 81,570 |
| Qualified XXVI | 703.907 | 10.86 | 7,644 |
| Qualified XXVII | 575,621.011 | 12.23 | 7,039,845 |
| Qualified XXVIII | 247,715.489 | 5.77 | 1,429,318 |
| Qualified XXXII | 415.574 | 9.48 | 3,940 |
| Qualified XXXIII (0.65) | 19,812.977 | 11.23 | 222,500 |
| Qualified XXXVIII | 6,051.667 | 5.68 | 34,373 |
| Qualified XLIII | 813.007 | 5.66 | 4,602 |
| Qualified LIII | 22,448.867 | 7.80 | 175,101 |
| Qualified LIV | 28,006.708 | 7.75 | 217,052 |
| Qualified LVI | 6,133.889 | 7.83 | 48,028 |
| Qualified LIX | 3,249.581 | 11.30 | 36,720 |
| | <u>6,207,277.294</u> | | <u>\$ 66,235,531</u> |
| ING Columbia Small Cap Value II Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP8 | 2,536.464 | \$ 6.83 | \$ 17,324 |
| ING MAP PLUS NP11 | 4,049.703 | 6.80 | 27,538 |
| ING MAP PLUS NP17 | 6,144.767 | 6.74 | 41,416 |
| ING MAP PLUS NP18 | 2,212.924 | 6.73 | 14,893 |
| ING MAP PLUS NP19 | 1,284.064 | 6.73 | 8,642 |
| ING MAP PLUS NP24 | 18.734 | 6.68 | 125 |
| ING MAP PLUS NP28 | 65.167 | 6.65 | 433 |
| Qualified V | 756.757 | 6.63 | 5,017 |
| Qualified VI | 54,338.345 | 6.66 | 361,893 |
| Qualified XII (0.00) | 11.617 | 6.89 | 80 |
| Qualified XII (0.30) | 152.607 | 6.84 | 1,044 |
| Qualified XII (0.40) | 377.804 | 6.82 | 2,577 |
| Qualified XII (0.50) | 1,237.868 | 6.80 | 8,418 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|------------------------------------------------------------------------------|--------------------|-------------------|-----------------------|
| ING Columbia Small Cap Value II Portfolio - Service Class (continued) | | | |
| Qualified XII (0.55) | 882.373 | \$ 6.79 | \$ 5,991 |
| Qualified XII (0.60) | 62.667 | 6.78 | 425 |
| Qualified XII (0.65) | 272.347 | 6.77 | 1,844 |
| Qualified XII (0.70) | 5,249.059 | 6.76 | 35,484 |
| Qualified XII (0.75) | 8,907.738 | 6.75 | 60,127 |
| Qualified XII (0.80) | 771.318 | 6.74 | 5,199 |
| Qualified XII (0.85) | 6,608.698 | 6.73 | 44,477 |
| Qualified XII (0.90) | 2,466.211 | 6.73 | 16,598 |
| Qualified XII (0.95) | 2,275.196 | 6.72 | 15,289 |
| Qualified XII (1.00) | 22,549.914 | 6.71 | 151,310 |
| Qualified XII (1.05) | 1,186.821 | 6.70 | 7,952 |
| Qualified XII (1.10) | 3,092.538 | 6.69 | 20,689 |
| Qualified XII (1.15) | 6,272.341 | 6.68 | 41,899 |
| Qualified XII (1.20) | 1,912.180 | 6.67 | 12,754 |
| Qualified XII (1.25) | 3,522.956 | 6.66 | 23,463 |
| Qualified XII (1.30) | 0.632 | 6.65 | 4 |
| Qualified XII (1.40) | 142.607 | 6.64 | 947 |
| Qualified XVI | 1,567.136 | 6.62 | 10,374 |
| Qualified XXV | 7.932 | 6.75 | 54 |
| Qualified LIII | 2.849 | 6.82 | 19 |
| Qualified LIV | 93.614 | 6.78 | 635 |
| Qualified LVI | 1,199.934 | 6.85 | 8,220 |
| | <u>142,233.882</u> | | <u>\$ 953,154</u> |
| ING Davis New York Venture Portfolio - Service Class | | | |
| Currently payable annuity contracts: | 31,743.185 | \$ 8.05 | \$ 255,533 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 317.202 | 7.83 | 2,484 |
| ING MAP PLUS NP1 | 11,471.362 | 7.85 | 90,050 |
| ING MAP PLUS NP8 | 41,807.523 | 7.72 | 322,754 |
| ING MAP PLUS NP11 | 4,824.786 | 7.66 | 36,958 |
| ING MAP PLUS NP14 | 7,735.166 | 7.60 | 58,787 |
| ING MAP PLUS NP16 | 4,072.403 | 7.57 | 30,828 |
| ING MAP PLUS NP17 | 1,442.193 | 7.55 | 10,889 |
| ING MAP PLUS NP18 | 421.665 | 7.53 | 3,175 |
| ING MAP PLUS NP19 | 1,849.628 | 7.51 | 13,891 |
| ING MAP PLUS NP20 | 192.053 | 7.49 | 1,438 |
| ING MAP PLUS NP22 | 610.643 | 7.46 | 4,555 |
| ING MAP PLUS NP23 | 7,365.531 | 7.44 | 54,800 |
| ING MAP PLUS NP24 | 5.430 | 7.42 | 40 |
| ING MAP PLUS NP26 | 553.850 | 7.38 | 4,087 |
| ING MAP PLUS NP27 | 2.465 | 7.37 | 18 |
| ING MAP PLUS NP28 | 211.171 | 7.35 | 1,552 |
| ING MAP PLUS NP29 | 829.381 | 7.33 | 6,079 |
| Qualified VI | 262,812.784 | 12.61 | 3,314,069 |
| Qualified X (1.15) | 13,188.599 | 8.17 | 107,751 |
| Qualified X (1.25) | 20,117.770 | 7.92 | 159,333 |
| Qualified XII (0.00) | 338.981 | 13.79 | 4,675 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-------------------------------------------------------------------------|--------------------|-------------------|-----------------------|
| ING Davis New York Venture Portfolio - Service Class (continued) | | | |
| Qualified XII (0.25) | 601.766 | \$ 13.54 | \$ 8,148 |
| Qualified XII (0.30) | 6,384.142 | 13.49 | 86,122 |
| Qualified XII (0.40) | 11,013.041 | 13.40 | 147,575 |
| Qualified XII (0.50) | 39,316.873 | 13.30 | 522,914 |
| Qualified XII (0.55) | 6,104.744 | 13.26 | 80,949 |
| Qualified XII (0.60) | 10,487.372 | 13.21 | 138,538 |
| Qualified XII (0.65) | 1,456.131 | 13.16 | 19,163 |
| Qualified XII (0.70) | 6,350.977 | 13.11 | 83,261 |
| Qualified XII (0.75) | 30,406.629 | 13.07 | 397,415 |
| Qualified XII (0.80) | 7,168.551 | 13.02 | 93,335 |
| Qualified XII (0.85) | 22,012.135 | 12.97 | 285,497 |
| Qualified XII (0.90) | 3,216.745 | 12.93 | 41,593 |
| Qualified XII (0.95) | 30,187.586 | 12.88 | 388,816 |
| Qualified XII (1.00) | 84,261.709 | 12.84 | 1,081,920 |
| Qualified XII (1.05) | 4,826.905 | 12.79 | 61,736 |
| Qualified XII (1.10) | 4,429.894 | 12.74 | 56,437 |
| Qualified XII (1.15) | 3,211.644 | 12.70 | 40,788 |
| Qualified XII (1.20) | 1,441.553 | 12.65 | 18,236 |
| Qualified XII (1.25) | 15,209.815 | 12.61 | 191,796 |
| Qualified XII (1.30) | 289.131 | 12.56 | 3,631 |
| Qualified XII (1.35) | 0.528 | 12.52 | 7 |
| Qualified XII (1.40) | 958.796 | 12.47 | 11,956 |
| Qualified XII (1.45) | 156.220 | 12.43 | 1,942 |
| Qualified XII (1.50) | 26.527 | 12.39 | 329 |
| Qualified XIII | 1,342.806 | 12.88 | 17,295 |
| Qualified XV | 2,674.578 | 12.88 | 34,449 |
| Qualified XVI | 5,787.241 | 12.39 | 71,704 |
| Qualified XVII | 1,373.839 | 12.61 | 17,324 |
| Qualified XVIII | 1,863.616 | 8.26 | 15,393 |
| Qualified XXV | 6,501.305 | 13.07 | 84,972 |
| Qualified XXVI | 1,042.258 | 12.93 | 13,476 |
| Qualified XXXVIII | 5,435.540 | 5.96 | 32,396 |
| Qualified XLIII | 585.328 | 5.94 | 3,477 |
| Qualified LIII | 2,284.486 | 7.92 | 18,093 |
| Qualified LIV | 675.179 | 7.86 | 5,307 |
| Qualified LVI | 3,631.857 | 7.95 | 28,873 |
| Qualified LIX | 1.948 | 13.49 | 26 |
| | <u>734,633.166</u> | | <u>\$ 8,588,635</u> |
| ING Fidelity® VIP Mid Cap Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XII (0.00) | 72.191 | \$ 7.45 | \$ 538 |
| Qualified XII (0.50) | 911,209.454 | 7.36 | 6,706,502 |
| | <u>911,281.645</u> | | <u>\$ 6,707,040</u> |
| ING Index Solution 2015 Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP15 | 42.684 | \$ 7.95 | \$ 339 |
| ING MAP PLUS NP28 | 4,666.027 | 7.91 | 36,908 |
| | <u>4,708.711</u> | | <u>\$ 37,247</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-------------------------------------------------------------|--------------|-------------------|-----------------------|
| ING Index Solution 2025 Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP28 | 11,318.209 | \$ 7.19 | \$ 81,378 |
| ING Index Solution 2035 Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP28 | 7,485.145 | \$ 6.81 | \$ 50,974 |
| ING Index Solution 2045 Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP28 | 972.851 | \$ 6.43 | \$ 6,255 |
| ING Index Solution Income Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP15 | 111.606 | \$ 8.90 | \$ 993 |
| ING JPMorgan Mid Cap Value Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 30,336.835 | \$ 8.08 | \$ 245,122 |
| ING JPMorgan Mid Cap Value Portfolio - Service Class | | | |
| Currently payable annuity contracts: | 60,289.287 | \$ 10.15 | \$ 611,936 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 1,237.227 | 9.64 | 11,927 |
| ING MAP PLUS NP1 | 7,550.780 | 10.21 | 77,093 |
| ING MAP PLUS NP8 | 3,746.114 | 10.03 | 37,574 |
| ING MAP PLUS NP9 | 5,811.751 | 10.01 | 58,176 |
| ING MAP PLUS NP10 | 10.494 | 9.98 | 105 |
| ING MAP PLUS NP11 | 6,889.026 | 9.96 | 68,615 |
| ING MAP PLUS NP13 | 158.015 | 9.91 | 1,566 |
| ING MAP PLUS NP14 | 5,481.384 | 9.89 | 54,211 |
| ING MAP PLUS NP15 | 9,339.826 | 9.86 | 92,091 |
| ING MAP PLUS NP16 | 16,875.173 | 9.84 | 166,052 |
| ING MAP PLUS NP19 | 2,155.691 | 9.76 | 21,040 |
| ING MAP PLUS NP20 | 23,190.851 | 9.74 | 225,879 |
| ING MAP PLUS NP21 | 8,891.386 | 9.72 | 86,424 |
| ING MAP PLUS NP22 | 106.536 | 9.69 | 1,032 |
| ING MAP PLUS NP23 | 10,205.490 | 9.67 | 98,687 |
| ING MAP PLUS NP24 | 1,212.237 | 9.65 | 11,698 |
| ING MAP PLUS NP25 | 184.598 | 9.62 | 1,776 |
| ING MAP PLUS NP26 | 99.188 | 9.60 | 952 |
| ING MAP PLUS NP28 | 1,066.212 | 9.55 | 10,182 |
| ING MAP PLUS NP29 | 12.434 | 9.53 | 119 |
| ING MAP PLUS NP32 | 118.939 | 9.46 | 1,125 |
| Qualified VI | 577,573.642 | 11.56 | 6,676,751 |
| Qualified X (1.15) | 36,418.513 | 11.63 | 423,547 |
| Qualified X (1.25) | 126,246.195 | 11.56 | 1,459,406 |
| Qualified XII (0.00) | 979.579 | 12.56 | 12,304 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|----------------------------------------------------------------------------|----------------------|-------------------|-----------------------|
| ING JPMorgan Mid Cap Value Portfolio - Service Class (continued) | | | |
| Qualified XII (0.05) | 42,804.166 | \$ 12.41 | \$ 531,200 |
| Qualified XII (0.10) | 130.318 | 12.48 | 1,626 |
| Qualified XII (0.25) | 2,484.355 | 12.35 | 30,682 |
| Qualified XII (0.30) | 11,786.986 | 12.31 | 145,098 |
| Qualified XII (0.35) | 1,630.628 | 12.27 | 20,008 |
| Qualified XII (0.40) | 14,212.412 | 12.23 | 173,818 |
| Qualified XII (0.50) | 34,298.309 | 12.15 | 416,724 |
| Qualified XII (0.55) | 21,651.962 | 12.11 | 262,205 |
| Qualified XII (0.60) | 35,721.838 | 12.07 | 431,163 |
| Qualified XII (0.65) | 13,796.174 | 12.03 | 165,968 |
| Qualified XII (0.70) | 20,708.271 | 11.99 | 248,292 |
| Qualified XII (0.75) | 108,132.600 | 11.95 | 1,292,185 |
| Qualified XII (0.80) | 16,866.036 | 11.91 | 200,874 |
| Qualified XII (0.85) | 63,941.331 | 11.87 | 758,984 |
| Qualified XII (0.90) | 17,364.548 | 11.83 | 205,423 |
| Qualified XII (0.95) | 77,266.800 | 11.79 | 910,976 |
| Qualified XII (1.00) | 296,734.874 | 11.75 | 3,486,635 |
| Qualified XII (1.05) | 6,469.580 | 11.71 | 75,759 |
| Qualified XII (1.10) | 19,104.410 | 11.67 | 222,948 |
| Qualified XII (1.15) | 10,941.156 | 11.63 | 127,246 |
| Qualified XII (1.20) | 3,517.252 | 11.59 | 40,765 |
| Qualified XII (1.25) | 20,976.490 | 11.56 | 242,488 |
| Qualified XII (1.35) | 197.901 | 11.48 | 2,272 |
| Qualified XII (1.40) | 3,535.618 | 11.44 | 40,447 |
| Qualified XII (1.45) | 714.232 | 11.40 | 8,142 |
| Qualified XII (1.50) | 98.707 | 11.36 | 1,121 |
| Qualified XIII | 1,211.807 | 11.79 | 14,287 |
| Qualified XV | 1,818.631 | 11.79 | 21,442 |
| Qualified XVI | 14,273.805 | 11.36 | 162,150 |
| Qualified XVIII | 620.862 | 11.75 | 7,295 |
| Qualified XXI | 7,663.208 | 11.91 | 91,269 |
| Qualified XXV | 1,998.683 | 11.95 | 23,884 |
| Qualified XXVI | 261.040 | 11.83 | 3,088 |
| Qualified XXXII | 1,691.215 | 10.05 | 16,997 |
| Qualified XXXVIII | 4,123.035 | 6.53 | 26,923 |
| Qualified XLIII | 465.619 | 6.51 | 3,031 |
| Qualified LIII | 6,686.040 | 8.65 | 57,834 |
| Qualified LIV | 44,280.349 | 8.59 | 380,368 |
| Qualified LVI | 6,210.695 | 8.69 | 53,971 |
| Qualified LIX | 355.301 | 12.30 | 4,370 |
| | <u>1,842,597.812</u> | | <u>\$ 21,120,226</u> |
| ING Legg Mason Partners Aggressive Growth Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 9,059.588 | \$ 6.57 | \$ 59,521 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--------------------------------------------------------------------------------|---------------|-------------------|-----------------------|
| ING Legg Mason Partners Aggressive Growth Portfolio - Initial Class | | | |
| Currently payable annuity contracts: | 13,400.290 | \$8.04 to \$9.77 | \$ 118,633 |
| Contracts in accumulation period: | | | |
| Qualified V | 2,172.297 | 9.58 | 20,811 |
| Qualified VI | 3,225,449.201 | 9.77 | 31,512,639 |
| Qualified VIII | 5,446.045 | 10.23 | 55,713 |
| Qualified X (1.15) | 306,369.082 | 9.93 | 3,042,245 |
| Qualified X (1.25) | 157,667.231 | 9.77 | 1,540,409 |
| Qualified XII (0.00) | 12,528.100 | 6.39 | 80,055 |
| Qualified XII (0.05) | 52,969.682 | 10.74 | 568,894 |
| Qualified XII (0.10) | 131.510 | 6.33 | 832 |
| Qualified XII (0.20) | 24,484.236 | 6.26 | 153,271 |
| Qualified XII (0.25) | 8,466.692 | 6.23 | 52,747 |
| Qualified XII (0.30) | 66,596.751 | 6.19 | 412,234 |
| Qualified XII (0.35) | 19,410.914 | 6.16 | 119,571 |
| Qualified XII (0.40) | 31,152.278 | 7.11 | 221,493 |
| Qualified XII (0.45) | 869.039 | 6.10 | 5,301 |
| Qualified XII (0.50) | 245,384.828 | 5.98 | 1,467,401 |
| Qualified XII (0.55) | 125,345.022 | 6.03 | 755,830 |
| Qualified XII (0.60) | 110,333.625 | 6.00 | 662,002 |
| Qualified XII (0.65) | 190,578.549 | 5.97 | 1,137,754 |
| Qualified XII (0.70) | 291,857.375 | 5.94 | 1,733,633 |
| Qualified XII (0.75) | 377,307.236 | 5.90 | 2,226,113 |
| Qualified XII (0.80) | 511,208.161 | 6.34 | 3,241,060 |
| Qualified XII (0.85) | 606,165.934 | 6.81 | 4,127,990 |
| Qualified XII (0.90) | 35,480.634 | 6.07 | 215,367 |
| Qualified XII (0.95) | 456,027.418 | 6.73 | 3,069,065 |
| Qualified XII (1.00) | 1,290,936.530 | 6.68 | 8,623,456 |
| Qualified XII (1.05) | 120,140.309 | 6.64 | 797,732 |
| Qualified XII (1.10) | 89,383.583 | 6.60 | 589,932 |
| Qualified XII (1.15) | 88,994.207 | 6.56 | 583,802 |
| Qualified XII (1.20) | 29,024.325 | 6.52 | 189,239 |
| Qualified XII (1.25) | 52,530.619 | 6.48 | 340,398 |
| Qualified XII (1.30) | 4,769.708 | 6.44 | 30,717 |
| Qualified XII (1.35) | 1,665.661 | 6.40 | 10,660 |
| Qualified XII (1.40) | 19,484.575 | 6.36 | 123,922 |
| Qualified XII (1.45) | 2,306.580 | 6.31 | 14,555 |
| Qualified XII (1.50) | 6,174.492 | 6.28 | 38,776 |
| Qualified XV | 10,552.692 | 10.13 | 106,899 |
| Qualified XVI | 66,834.215 | 9.49 | 634,257 |
| Qualified XVII | 2,008.198 | 9.77 | 19,620 |
| Qualified XVIII | 6,458.037 | 9.77 | 63,095 |
| Qualified XXV | 17,774.109 | 10.19 | 181,118 |
| Qualified XXVI | 5,517.848 | 10.06 | 55,510 |
| Qualified XXVII | 1,106,993.597 | 10.06 | 11,136,356 |
| Qualified XXVIII | 220,287.403 | 10.03 | 2,209,483 |
| Qualified XXXII | 9,751.967 | 7.97 | 77,723 |
| Qualified XXXVI | 38,195.264 | 7.07 | 270,041 |
| Qualified XXXVIII | 89,896.768 | 5.87 | 527,694 |
| Qualified XLIII | 4,583.761 | 5.85 | 26,815 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|----------------------------------------------------------------------------|-----------------------|-------------------|-----------------------|
| ING Legg Mason Partners Aggressive Growth Portfolio - Initial Class | | | |
| Qualified LIII | 48,820.146 | \$ 7.83 | \$ 382,262 |
| Qualified LIV | 27,739.512 | 7.78 | 215,813 |
| Qualified LVI | 59,185.786 | 7.86 | 465,200 |
| Qualified LIX | 17,120.297 | 7.14 | 122,239 |
| | <u>10,313,932.319</u> | | <u>\$ 84,378,377</u> |
| ING Legg Mason Partners Aggressive Growth Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 284.591 | \$ 7.56 | \$ 2,152 |
| ING MAP PLUS NP3 | 631.181 | 7.52 | 4,746 |
| ING MAP PLUS NP9 | 7,454.718 | 7.41 | 55,239 |
| ING MAP PLUS NP17 | 5,703.073 | 7.27 | 41,461 |
| ING MAP PLUS NP22 | 2,113.337 | 7.18 | 15,174 |
| ING MAP PLUS NP26 | 134.108 | 7.11 | 954 |
| | <u>16,321.008</u> | | <u>\$ 119,726</u> |
| ING Neuberger Berman Partners Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP23 | 3,472.420 | \$ 5.43 | \$ 18,855 |
| ING MAP PLUS NP26 | 8,257.280 | 5.40 | 44,589 |
| Qualified VI | 88,658.061 | 5.40 | 478,754 |
| Qualified XII (0.00) | 108.957 | 5.59 | 609 |
| Qualified XII (0.30) | 1,067.856 | 5.54 | 5,916 |
| Qualified XII (0.40) | 528.687 | 5.53 | 2,924 |
| Qualified XII (0.50) | 129,725.278 | 5.51 | 714,786 |
| Qualified XII (0.55) | 2,610.263 | 5.51 | 14,383 |
| Qualified XII (0.60) | 22.425 | 5.50 | 123 |
| Qualified XII (0.65) | 2,033.812 | 5.49 | 11,166 |
| Qualified XII (0.70) | 2,401.511 | 5.48 | 13,160 |
| Qualified XII (0.75) | 30,934.803 | 5.48 | 169,523 |
| Qualified XII (0.80) | 135.384 | 5.47 | 741 |
| Qualified XII (0.85) | 4,059.766 | 5.46 | 22,166 |
| Qualified XII (0.90) | 1,175.795 | 5.46 | 6,420 |
| Qualified XII (0.95) | 9,471.525 | 5.45 | 51,620 |
| Qualified XII (1.00) | 50,600.421 | 5.44 | 275,266 |
| Qualified XII (1.05) | 2,856.453 | 5.43 | 15,511 |
| Qualified XII (1.10) | 1,946.698 | 5.43 | 10,571 |
| Qualified XII (1.15) | 6,541.221 | 5.42 | 35,453 |
| Qualified XII (1.20) | 1,034.503 | 5.41 | 5,597 |
| Qualified XII (1.25) | 3,124.315 | 5.40 | 16,871 |
| Qualified XII (1.30) | 920.487 | 5.40 | 4,971 |
| Qualified XII (1.40) | 144.751 | 5.38 | 779 |
| Qualified XV | 2,788.695 | 5.45 | 15,198 |
| Qualified XVI | 2,556.117 | 5.37 | 13,726 |
| Qualified XXV | 31.172 | 5.48 | 171 |
| Qualified XXVI | 848.330 | 5.46 | 4,632 |
| Qualified XXXVIII | 848.660 | 4.86 | 4,124 |
| Qualified XLIII | 439.210 | 4.85 | 2,130 |
| Qualified LIII | 954.872 | 5.53 | 5,280 |
| Qualified LIV | 14.222 | 5.50 | 78 |
| Qualified LVI | 23.763 | 5.56 | 132 |
| | <u>360,337.713</u> | | <u>\$ 1,966,225</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---------------------------------------------------------|----------------|-------------------|-----------------------|
| ING Oppenheimer Global Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 31,103.530 | \$ 7.66 | \$ 238,253 |
| ING Oppenheimer Global Portfolio - Initial Class | | | |
| Currently payable annuity contracts: | 225,893.303 | \$8.33 to \$8.50 | \$ 1,915,794 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 5,013.011 | 8.42 | 42,210 |
| ING MAP PLUS NP1 | 13,128.349 | 8.77 | 115,136 |
| ING MAP PLUS NP3 | 3,422.786 | 8.74 | 29,915 |
| ING MAP PLUS NP8 | 10,068.002 | 8.65 | 87,088 |
| ING MAP PLUS NP10 | 15,806.145 | 8.62 | 136,249 |
| ING MAP PLUS NP11 | 28,611.760 | 8.60 | 246,061 |
| ING MAP PLUS NP12 | 12,781.822 | 8.59 | 109,796 |
| ING MAP PLUS NP14 | 10,562.574 | 8.55 | 90,310 |
| ING MAP PLUS NP15 | 23,959.689 | 8.54 | 204,616 |
| ING MAP PLUS NP17 | 16,652.729 | 8.50 | 141,548 |
| ING MAP PLUS NP18 | 13,163.648 | 8.49 | 111,759 |
| ING MAP PLUS NP19 | 8,984.523 | 8.47 | 76,099 |
| ING MAP PLUS NP20 | 22,592.076 | 8.45 | 190,903 |
| ING MAP PLUS NP21 | 9,680.940 | 8.44 | 81,707 |
| ING MAP PLUS NP22 | 4,419.328 | 8.42 | 37,211 |
| ING MAP PLUS NP23 | 12,122.489 | 8.40 | 101,829 |
| ING MAP PLUS NP24 | 1,017.588 | 8.39 | 8,538 |
| ING MAP PLUS NP25 | 7,952.872 | 8.37 | 66,566 |
| ING MAP PLUS NP26 | 2,194.219 | 8.36 | 18,344 |
| ING MAP PLUS NP27 | 446.585 | 8.34 | 3,725 |
| ING MAP PLUS NP28 | 14,030.143 | 8.32 | 116,731 |
| ING MAP PLUS NP29 | 1,465.534 | 8.31 | 12,179 |
| ING MAP PLUS NP30 | 3,995.183 | 8.29 | 33,120 |
| ING MAP PLUS NP32 | 417.240 | 8.26 | 3,446 |
| ING MAP PLUS NP35 | 1,244.071 | 8.21 | 10,214 |
| Qualified V | 2,634.406 | 8.37 | 22,050 |
| Qualified VI | 15,113,545.848 | 8.42 | 127,256,056 |
| Qualified VIII | 15,355.909 | 8.42 | 129,297 |
| Qualified X (1.15) | 799,138.915 | 8.45 | 6,752,724 |
| Qualified X (1.25) | 1,246,856.825 | 8.42 | 10,498,534 |
| Qualified XII (0.00) | 62,670.534 | 9.20 | 576,569 |
| Qualified XII (0.05) | 538,260.704 | 9.22 | 4,962,764 |
| Qualified XII (0.10) | 502.935 | 8.81 | 4,431 |
| Qualified XII (0.20) | 104,815.382 | 8.77 | 919,231 |
| Qualified XII (0.25) | 22,622.799 | 9.09 | 205,641 |
| Qualified XII (0.30) | 777,795.050 | 8.74 | 6,797,929 |
| Qualified XII (0.35) | 57,029.070 | 8.72 | 497,293 |
| Qualified XII (0.40) | 198,507.587 | 8.70 | 1,727,016 |
| Qualified XII (0.45) | 2,187.270 | 8.69 | 19,007 |
| Qualified XII (0.50) | 1,281,593.639 | 9.04 | 11,585,607 |
| Qualified XII (0.55) | 334,131.927 | 8.65 | 2,890,241 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---------------------------------------------------------|-----------------------|-------------------|-----------------------|
| ING Oppenheimer Global Portfolio - Initial Class | | | |
| (continued) | | | |
| Qualified XII (0.60) | 514,068.553 | \$ 8.64 | \$ 4,441,552 |
| Qualified XII (0.65) | 935,360.868 | 8.62 | 8,062,811 |
| Qualified XII (0.70) | 618,430.600 | 8.60 | 5,318,503 |
| Qualified XII (0.75) | 1,740,357.517 | 8.59 | 14,949,671 |
| Qualified XII (0.80) | 1,961,961.878 | 8.93 | 17,520,320 |
| Qualified XII (0.85) | 1,562,267.520 | 8.55 | 13,357,387 |
| Qualified XII (0.90) | 151,270.481 | 8.89 | 1,344,795 |
| Qualified XII (0.95) | 1,893,044.675 | 8.52 | 16,128,741 |
| Qualified XII (1.00) | 4,895,755.260 | 8.86 | 43,376,392 |
| Qualified XII (1.05) | 361,586.103 | 8.84 | 3,196,421 |
| Qualified XII (1.10) | 406,348.984 | 8.83 | 3,588,062 |
| Qualified XII (1.15) | 368,463.527 | 8.80 | 3,242,479 |
| Qualified XII (1.20) | 124,953.171 | 8.77 | 1,095,839 |
| Qualified XII (1.25) | 423,529.071 | 8.76 | 3,710,115 |
| Qualified XII (1.30) | 22,729.907 | 8.74 | 198,659 |
| Qualified XII (1.35) | 11,716.277 | 8.39 | 98,300 |
| Qualified XII (1.40) | 59,696.315 | 8.91 | 531,894 |
| Qualified XII (1.45) | 19,338.266 | 8.36 | 161,668 |
| Qualified XII (1.50) | 14,371.311 | 8.34 | 119,857 |
| Qualified XIII | 610.950 | 8.52 | 5,205 |
| Qualified XV | 90,310.140 | 8.52 | 769,442 |
| Qualified XVI | 392,660.821 | 8.34 | 3,274,791 |
| Qualified XVII | 35,467.935 | 8.42 | 298,640 |
| Qualified XVIII | 61,961.815 | 8.42 | 521,718 |
| Qualified XXII | 1,815.809 | 8.69 | 15,779 |
| Qualified XXV | 160,039.447 | 8.59 | 1,374,739 |
| Qualified XXVI | 36,322.867 | 8.54 | 310,197 |
| Qualified XXVII | 7,651,915.256 | 8.49 | 64,964,761 |
| Qualified XXVIII | 2,840,311.555 | 8.49 | 24,114,245 |
| Qualified XXXII | 37,415.401 | 8.42 | 315,038 |
| Qualified XXXIII (0.65) | 46,864.672 | 8.62 | 403,973 |
| Qualified XXXVI | 72,336.797 | 8.65 | 625,713 |
| Qualified XXXVIII | 358,220.694 | 5.76 | 2,063,351 |
| Qualified XLIII | 29,433.925 | 5.74 | 168,951 |
| Qualified LIII | 213,686.371 | 8.92 | 1,906,082 |
| Qualified LIV | 143,516.884 | 8.87 | 1,272,995 |
| Qualified LVI | 212,876.910 | 8.96 | 1,907,377 |
| Qualified LIX | 40,030.451 | 8.70 | 348,265 |
| | <u>49,538,324.393</u> | | <u>\$ 423,940,212</u> |
| ING Oppenheimer Global Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| Qualified VI | 0.714 | \$ 9.87 | \$ 7 |
| Qualified X (1.25) | 33.889 | 9.87 | 334 |
| Qualified XII (1.00) | 26,571.871 | 10.03 | 266,516 |
| | <u>26,606.474</u> | | <u>\$ 266,857</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| <u>Division/Contract</u> | <u>Units</u> | <u>Unit Value</u> | <u>Extended Value</u> |
|-------------------------------------------------------------------|---------------|-------------------|-----------------------|
| ING Oppenheimer Strategic Income Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 26,264.009 | \$ 9.84 | \$ 258,438 |
| ING Oppenheimer Strategic Income Portfolio - Initial Class | | | |
| Currently payable annuity contracts: | 196,452.079 | \$9.46 to \$9.83 | \$ 1,924,963 |
| Contracts in accumulation period: | | | |
| Qualified V | 2,324.727 | 9.54 | 22,178 |
| Qualified VI | 3,183,170.909 | 9.60 | 30,558,441 |
| Qualified VIII | 2,185.515 | 9.60 | 20,981 |
| Qualified X (1.15) | 113,577.381 | 9.64 | 1,094,886 |
| Qualified X (1.25) | 230,526.738 | 9.60 | 2,213,057 |
| Qualified XII (0.00) | 10,512.973 | 10.08 | 105,971 |
| Qualified XII (0.05) | 161,168.327 | 10.20 | 1,643,917 |
| Qualified XII (0.20) | 26,195.005 | 10.00 | 261,950 |
| Qualified XII (0.25) | 4,259.651 | 9.98 | 42,511 |
| Qualified XII (0.30) | 261,592.669 | 9.96 | 2,605,463 |
| Qualified XII (0.35) | 3,310.732 | 9.95 | 32,942 |
| Qualified XII (0.40) | 110,126.331 | 10.04 | 1,105,668 |
| Qualified XII (0.45) | 10.652 | 9.91 | 106 |
| Qualified XII (0.50) | 538,205.498 | 10.00 | 5,382,055 |
| Qualified XII (0.55) | 60,616.383 | 9.97 | 604,345 |
| Qualified XII (0.60) | 90,415.311 | 9.95 | 899,632 |
| Qualified XII (0.65) | 223,197.562 | 9.83 | 2,194,032 |
| Qualified XII (0.70) | 184,286.778 | 9.81 | 1,807,853 |
| Qualified XII (0.75) | 395,254.371 | 9.79 | 3,869,540 |
| Qualified XII (0.80) | 446,158.269 | 9.88 | 4,408,044 |
| Qualified XII (0.85) | 487,485.129 | 9.86 | 4,806,603 |
| Qualified XII (0.90) | 73,247.435 | 9.84 | 720,755 |
| Qualified XII (0.95) | 530,219.390 | 9.82 | 5,206,754 |
| Qualified XII (1.00) | 1,398,547.367 | 9.80 | 13,705,764 |
| Qualified XII (1.05) | 98,318.985 | 9.68 | 951,728 |
| Qualified XII (1.10) | 110,697.831 | 9.76 | 1,080,411 |
| Qualified XII (1.15) | 76,222.345 | 9.74 | 742,406 |
| Qualified XII (1.20) | 63,281.849 | 9.71 | 614,467 |
| Qualified XII (1.25) | 168,466.235 | 9.70 | 1,634,122 |
| Qualified XII (1.30) | 15,654.710 | 9.68 | 151,538 |
| Qualified XII (1.35) | 2,222.530 | 9.69 | 21,536 |
| Qualified XII (1.40) | 25,995.804 | 9.68 | 251,639 |
| Qualified XII (1.45) | 9,805.031 | 9.65 | 94,619 |
| Qualified XII (1.50) | 698.615 | 9.62 | 6,721 |
| Qualified XIII | 3,332.456 | 9.72 | 32,391 |
| Qualified XV | 15,739.365 | 9.72 | 152,987 |
| Qualified XVI | 87,074.261 | 9.51 | 828,076 |
| Qualified XVII | 16,996.375 | 9.60 | 163,165 |
| Qualified XVIII | 13,303.951 | 9.60 | 127,718 |
| Qualified XXI | 26,196.942 | 9.77 | 255,944 |
| Qualified XXV | 13,542.184 | 9.79 | 132,578 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-------------------------------------------------------------------------------|-----------------------|--------------------|-----------------------|
| ING Oppenheimer Strategic Income Portfolio - Initial Class (continued) | | | |
| Qualified XXVI | 6,990.360 | \$ 9.74 | \$ 68,086 |
| Qualified XXVII | 1,042,675.835 | 9.81 | 10,228,650 |
| Qualified XXVIII | 367,236.071 | 9.81 | 3,602,586 |
| Qualified XXXII | 4,492.665 | 9.60 | 43,130 |
| Qualified XXXIII (0.65) | 50,046.345 | 9.83 | 491,956 |
| Qualified XXXVI | 13,867.669 | 9.87 | 136,874 |
| Qualified XXXVIII | 40,880.428 | 8.53 | 348,710 |
| Qualified XLIII | 3,178.100 | 8.50 | 27,014 |
| Qualified LIII | 66,460.260 | 10.03 | 666,596 |
| Qualified LIV | 73,896.802 | 9.96 | 736,012 |
| Qualified LVI | 49,703.833 | 10.07 | 500,518 |
| Qualified LIX | 3,688.579 | 9.92 | 36,591 |
| | <u>11,203,713.598</u> | | <u>\$ 109,367,180</u> |
| ING Oppenheimer Strategic Income Portfolio - Service Class | | | |
| Currently payable annuity contracts: | 1,264.806 | \$ 9.50 | \$ 12,016 |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP9 | 2,857.435 | 8.73 | 24,945 |
| ING MAP PLUS NP10 | 3,831.036 | 8.72 | 33,407 |
| ING MAP PLUS NP11 | 9,966.809 | 8.71 | 86,811 |
| ING MAP PLUS NP12 | 3,972.342 | 8.71 | 34,599 |
| ING MAP PLUS NP19 | 515.826 | 8.66 | 4,467 |
| ING MAP PLUS NP22 | 1,771.699 | 8.63 | 15,290 |
| ING MAP PLUS NP24 | 165.331 | 8.62 | 1,425 |
| ING MAP PLUS NP28 | 343.896 | 8.59 | 2,954 |
| | <u>24,689.180</u> | | <u>\$ 215,914</u> |
| ING PIMCO Total Return Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 76,713.649 | \$ 11.34 | \$ 869,933 |
| ING PIMCO Total Return Portfolio - Service Class | | | |
| Currently payable annuity contracts: | 189,318.102 | \$10.96 to \$11.67 | \$ 2,204,086 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 4,006.789 | 11.50 | 46,078 |
| ING MAP PLUS NP1 | 126,745.699 | 11.99 | 1,519,681 |
| ING MAP PLUS NP4 | 28,367.579 | 11.91 | 337,858 |
| ING MAP PLUS NP6 | 19,760.597 | 11.85 | 234,163 |
| ING MAP PLUS NP8 | 4,099.217 | 11.79 | 48,330 |
| ING MAP PLUS NP9 | 25,419.207 | 11.76 | 298,930 |
| ING MAP PLUS NP10 | 25,258.529 | 11.73 | 296,283 |
| ING MAP PLUS NP11 | 33,070.096 | 11.70 | 386,920 |
| ING MAP PLUS NP12 | 22,841.750 | 11.67 | 266,563 |
| ING MAP PLUS NP13 | 1,231.155 | 11.65 | 14,343 |
| ING MAP PLUS NP14 | 20,570.567 | 11.62 | 239,030 |
| ING MAP PLUS NP15 | 22,597.862 | 11.59 | 261,909 |
| ING MAP PLUS NP16 | 11,861.561 | 11.56 | 137,120 |
| ING MAP PLUS NP17 | 428.827 | 11.53 | 4,944 |
| ING MAP PLUS NP18 | 34,071.883 | 11.50 | 391,827 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-------------------------------------------------------------------------|---------------|-------------------|-----------------------|
| ING PIMCO Total Return Portfolio - Service Class (continued) | | | |
| ING MAP PLUS NP19 | 17,094.451 | \$ 11.48 | \$ 196,244 |
| ING MAP PLUS NP20 | 56,051.284 | 11.45 | 641,787 |
| ING MAP PLUS NP21 | 40,172.417 | 11.42 | 458,769 |
| ING MAP PLUS NP22 | 781.286 | 11.39 | 8,899 |
| ING MAP PLUS NP23 | 12,640.666 | 11.36 | 143,598 |
| ING MAP PLUS NP24 | 157.900 | 11.34 | 1,791 |
| ING MAP PLUS NP25 | 2,525.244 | 11.31 | 28,561 |
| ING MAP PLUS NP26 | 15,560.433 | 11.28 | 175,522 |
| ING MAP PLUS NP27 | 464.259 | 11.25 | 5,223 |
| ING MAP PLUS NP28 | 15,029.238 | 11.22 | 168,628 |
| ING MAP PLUS NP29 | 2,653.996 | 11.20 | 29,725 |
| ING MAP PLUS NP30 | 1,996.400 | 11.17 | 22,300 |
| ING MAP PLUS NP32 | 344.030 | 11.11 | 3,822 |
| ING MAP PLUS NP35 | 1,239.117 | 11.03 | 13,667 |
| ING MAP PLUS NP36 | 809.676 | 11.01 | 8,915 |
| Qualified V | 1,120.101 | 12.38 | 13,867 |
| Qualified VI | 2,062,760.382 | 12.51 | 25,805,132 |
| Qualified VIII | 730.284 | 12.51 | 9,136 |
| Qualified X (1.15) | 33,225.296 | 12.60 | 418,639 |
| Qualified X (1.25) | 159,392.894 | 12.51 | 1,994,005 |
| Qualified XII (0.00) | 5,931.513 | 13.60 | 80,669 |
| Qualified XII (0.25) | 2,218.916 | 13.38 | 29,689 |
| Qualified XII (0.30) | 118,713.229 | 13.33 | 1,582,447 |
| Qualified XII (0.35) | 1,576.309 | 13.29 | 20,949 |
| Qualified XII (0.40) | 315,701.875 | 13.24 | 4,179,893 |
| Qualified XII (0.50) | 68,749.088 | 13.15 | 904,051 |
| Qualified XII (0.55) | 109,249.908 | 13.11 | 1,432,266 |
| Qualified XII (0.60) | 54,887.294 | 13.07 | 717,377 |
| Qualified XII (0.65) | 148,197.313 | 13.02 | 1,929,529 |
| Qualified XII (0.70) | 90,947.722 | 12.98 | 1,180,501 |
| Qualified XII (0.75) | 221,434.023 | 12.94 | 2,865,356 |
| Qualified XII (0.80) | 143,360.486 | 12.89 | 1,847,917 |
| Qualified XII (0.85) | 315,621.503 | 12.85 | 4,055,736 |
| Qualified XII (0.90) | 35,263.922 | 12.81 | 451,731 |
| Qualified XII (0.95) | 379,648.742 | 12.76 | 4,844,318 |
| Qualified XII (1.00) | 904,320.996 | 12.72 | 11,502,963 |
| Qualified XII (1.05) | 50,215.276 | 12.68 | 636,730 |
| Qualified XII (1.10) | 43,629.199 | 12.64 | 551,473 |
| Qualified XII (1.15) | 54,299.978 | 12.60 | 684,180 |
| Qualified XII (1.20) | 23,609.340 | 12.55 | 296,297 |
| Qualified XII (1.25) | 143,141.405 | 12.51 | 1,790,699 |
| Qualified XII (1.30) | 1,678.689 | 12.47 | 20,933 |
| Qualified XII (1.35) | 3,297.289 | 12.43 | 40,985 |
| Qualified XII (1.40) | 11,691.820 | 12.39 | 144,862 |
| Qualified XII (1.45) | 11,334.130 | 12.35 | 139,977 |
| Qualified XII (1.50) | 9,582.547 | 12.30 | 117,865 |
| Qualified XIII | 1,601.452 | 12.76 | 20,435 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---------------------------------------------------------|----------------------|-------------------|-----------------------|
| ING PIMCO Total Return Portfolio - Service Class | | | |
| (continued) | | | |
| Qualified XV | 6,987.172 | \$ 12.76 | \$ 89,156 |
| Qualified XVI | 64,254.920 | 12.30 | 790,336 |
| Qualified XVII | 1,667.728 | 12.51 | 20,863 |
| Qualified XVIII | 2,386.100 | 12.72 | 30,351 |
| Qualified XXI | 15,482.289 | 12.89 | 199,567 |
| Qualified XXV | 15,358.926 | 12.94 | 198,745 |
| Qualified XXVI | 4,460.668 | 12.81 | 57,141 |
| Qualified XXVII | 1,322,612.020 | 11.66 | 15,421,656 |
| Qualified XXVIII | 543,017.579 | 12.73 | 6,912,614 |
| Qualified XXXII | 1,765.211 | 11.38 | 20,088 |
| Qualified XXXIII (0.65) | 26,533.345 | 13.24 | 351,301 |
| Qualified XXXVIII | 27,750.502 | 10.20 | 283,055 |
| Qualified XLIII | 315.674 | 10.17 | 3,210 |
| Qualified LIII | 41,788.794 | 11.39 | 475,974 |
| Qualified LIV | 66,131.931 | 11.32 | 748,613 |
| Qualified LVI | 25,669.153 | 11.44 | 293,655 |
| Qualified LIX | 3,486.149 | 13.32 | 46,436 |
| | <u>8,433,970.899</u> | | <u>\$ 104,848,884</u> |
| ING Pioneer High Yield Portfolio - Initial Class | | | |
| Currently payable annuity contracts: | 23,223.394 | \$ 7.79 | \$ 180,910 |
| Contracts in accumulation period: | | | |
| Qualified VI | 137,289.671 | 7.73 | 1,061,249 |
| Qualified X (1.15) | 2,309.797 | 7.75 | 17,901 |
| Qualified X (1.25) | 13,366.613 | 7.73 | 103,324 |
| Qualified XII (0.00) | 1,301.155 | 7.99 | 10,396 |
| Qualified XII (0.25) | 268.238 | 7.94 | 2,130 |
| Qualified XII (0.30) | 487.330 | 7.93 | 3,865 |
| Qualified XII (0.40) | 3,690.288 | 7.91 | 29,190 |
| Qualified XII (0.50) | 154,034.839 | 7.89 | 1,215,335 |
| Qualified XII (0.55) | 700.948 | 7.88 | 5,523 |
| Qualified XII (0.60) | 372.262 | 7.87 | 2,930 |
| Qualified XII (0.65) | 2,869.719 | 7.86 | 22,556 |
| Qualified XII (0.70) | 2,290.263 | 7.84 | 17,956 |
| Qualified XII (0.75) | 16,238.462 | 7.83 | 127,147 |
| Qualified XII (0.80) | 2,363.863 | 7.82 | 18,485 |
| Qualified XII (0.85) | 19,694.471 | 7.81 | 153,814 |
| Qualified XII (0.90) | 2,473.787 | 7.80 | 19,296 |
| Qualified XII (0.95) | 31,965.858 | 7.79 | 249,014 |
| Qualified XII (1.00) | 60,169.848 | 7.78 | 468,121 |
| Qualified XII (1.05) | 3,630.873 | 7.77 | 28,212 |
| Qualified XII (1.10) | 581.325 | 7.76 | 4,511 |
| Qualified XII (1.15) | 857.819 | 7.75 | 6,648 |
| Qualified XII (1.20) | 332.556 | 7.74 | 2,574 |
| Qualified XII (1.25) | 12,276.334 | 7.73 | 94,896 |
| Qualified XII (1.35) | 113.006 | 7.71 | 871 |
| Qualified XII (1.40) | 7,469.703 | 7.70 | 57,517 |
| Qualified XII (1.45) | 44.092 | 7.69 | 339 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---------------------------------------------------------|--------------------|-------------------|-----------------------|
| ING Pioneer High Yield Portfolio - Initial Class | | | |
| (continued) | | | |
| Qualified XII (1.50) | 8.521 | \$ 7.68 | \$ 65 |
| Qualified XV | 402.082 | 7.79 | 3,132 |
| Qualified XVI | 1,865.615 | 7.68 | 14,328 |
| Qualified XVIII | 886.866 | 7.78 | 6,900 |
| Qualified XXV | 1,442.554 | 7.83 | 11,295 |
| Qualified XXVI | 609.054 | 7.80 | 4,751 |
| Qualified XXXVIII | 26.000 | 6.96 | 181 |
| Qualified LIII | 530.636 | 7.92 | 4,203 |
| Qualified LIV | 1,198.154 | 7.86 | 9,417 |
| Qualified LVI | 963.834 | 7.95 | 7,662 |
| Qualified LIX | 28.502 | 7.89 | 225 |
| | <u>508,378.332</u> | | <u>\$ 3,966,869</u> |
| ING Pioneer High Yield Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP15 | 4.456 | \$ 7.79 | \$ 35 |
| ING MAP PLUS NP21 | 13.613 | 7.73 | 105 |
| ING MAP PLUS NP22 | 367.058 | 7.72 | 2,834 |
| ING MAP PLUS NP23 | 1,076.481 | 7.71 | 8,300 |
| ING MAP PLUS NP26 | 938.203 | 7.68 | 7,205 |
| ING MAP PLUS NP28 | 1,392.760 | 7.66 | 10,669 |
| ING MAP PLUS NP29 | 6,816.625 | 7.65 | 52,147 |
| | <u>10,609.196</u> | | <u>\$ 81,295</u> |
| ING Solution 2015 Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 156,787.485 | \$ 9.03 | \$ 1,415,791 |
| ING MAP PLUS NP3 | 3,895.256 | 9.00 | 35,057 |
| ING MAP PLUS NP4 | 111.197 | 8.98 | 999 |
| ING MAP PLUS NP6 | 20,903.735 | 8.95 | 187,088 |
| ING MAP PLUS NP8 | 103,925.688 | 8.92 | 927,017 |
| ING MAP PLUS NP9 | 39,675.184 | 8.90 | 353,109 |
| ING MAP PLUS NP10 | 229,066.448 | 8.88 | 2,034,110 |
| ING MAP PLUS NP11 | 49,798.024 | 8.87 | 441,708 |
| ING MAP PLUS NP12 | 55,806.049 | 8.85 | 493,884 |
| ING MAP PLUS NP13 | 29,290.258 | 8.84 | 258,926 |
| ING MAP PLUS NP14 | 17,651.714 | 8.82 | 155,688 |
| ING MAP PLUS NP15 | 45,726.343 | 8.80 | 402,392 |
| ING MAP PLUS NP16 | 61,297.235 | 8.79 | 538,803 |
| ING MAP PLUS NP17 | 66,806.109 | 8.77 | 585,890 |
| ING MAP PLUS NP18 | 4,718.431 | 8.75 | 41,286 |
| ING MAP PLUS NP19 | 44,122.214 | 8.74 | 385,628 |
| ING MAP PLUS NP20 | 19,221.570 | 8.72 | 167,612 |
| ING MAP PLUS NP21 | 65,385.766 | 8.71 | 569,510 |
| ING MAP PLUS NP22 | 25,963.012 | 8.69 | 225,619 |
| ING MAP PLUS NP23 | 38,863.796 | 8.67 | 336,949 |
| ING MAP PLUS NP24 | 9,214.863 | 8.66 | 79,801 |
| ING MAP PLUS NP25 | 653.676 | 8.64 | 5,648 |
| ING MAP PLUS NP26 | 5,526.611 | 8.63 | 47,695 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|----------------------------------------------------|----------------------|-------------------|-----------------------|
| ING Solution 2015 Portfolio - Adviser Class | | | |
| (continued) | | | |
| ING MAP PLUS NP27 | 36,277.393 | \$ 8.61 | \$ 312,348 |
| ING MAP PLUS NP28 | 1,854.909 | 8.60 | 15,952 |
| ING MAP PLUS NP29 | 38,616.462 | 8.58 | 331,329 |
| ING MAP PLUS NP30 | 7,550.334 | 8.56 | 64,631 |
| ING MAP PLUS NP32 | 128.309 | 8.53 | 1,094 |
| Qualified XXXV | 24,117.279 | 8.52 | 205,479 |
| | <u>1,202,955.350</u> | | <u>\$ 10,621,043</u> |
| ING Solution 2015 Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 762.550 | \$ 8.72 | \$ 6,649 |
| Qualified V | 2,039.564 | 8.67 | 17,683 |
| Qualified VI | 847,119.666 | 8.72 | 7,386,883 |
| Qualified X (1.15) | 46,279.221 | 8.75 | 404,943 |
| Qualified X (1.25) | 101,928.077 | 8.72 | 888,813 |
| Qualified XII (0.00) | 1,917.927 | 9.13 | 17,511 |
| Qualified XII (0.05) | 216,896.404 | 9.13 | 1,980,264 |
| Qualified XII (0.25) | 4.625 | 9.05 | 42 |
| Qualified XII (0.30) | 55,754.732 | 9.03 | 503,465 |
| Qualified XII (0.35) | 184,289.226 | 9.01 | 1,660,446 |
| Qualified XII (0.40) | 31,167.003 | 9.00 | 280,503 |
| Qualified XII (0.50) | 231,754.094 | 8.96 | 2,076,517 |
| Qualified XII (0.55) | 71,175.051 | 8.95 | 637,017 |
| Qualified XII (0.60) | 160,681.896 | 8.93 | 1,434,889 |
| Qualified XII (0.65) | 24,589.088 | 8.91 | 219,089 |
| Qualified XII (0.70) | 88,111.138 | 8.90 | 784,189 |
| Qualified XII (0.75) | 135,591.014 | 8.88 | 1,204,048 |
| Qualified XII (0.80) | 56,930.859 | 8.86 | 504,407 |
| Qualified XII (0.85) | 154,945.948 | 8.85 | 1,371,272 |
| Qualified XII (0.90) | 35,051.171 | 8.83 | 309,502 |
| Qualified XII (0.95) | 165,605.726 | 8.82 | 1,460,643 |
| Qualified XII (1.00) | 162,348.532 | 8.80 | 1,428,667 |
| Qualified XII (1.05) | 78,013.556 | 8.78 | 684,959 |
| Qualified XII (1.10) | 20,302.161 | 8.77 | 178,050 |
| Qualified XII (1.15) | 45,987.007 | 8.75 | 402,386 |
| Qualified XII (1.20) | 6,738.528 | 8.73 | 58,827 |
| Qualified XII (1.25) | 81,061.912 | 8.72 | 706,860 |
| Qualified XII (1.30) | 3,175.902 | 8.70 | 27,630 |
| Qualified XII (1.40) | 7,535.488 | 8.67 | 65,333 |
| Qualified XII (1.45) | 755.850 | 8.65 | 6,538 |
| Qualified XIII | 42.741 | 8.82 | 377 |
| Qualified XV | 7,859.710 | 8.82 | 69,323 |
| Qualified XVI | 44,341.424 | 8.64 | 383,110 |
| Qualified XVIII | 10,911.694 | 8.72 | 95,150 |
| Qualified XXI | 7,208.315 | 8.86 | 63,866 |
| Qualified XXV | 1,083.985 | 8.88 | 9,626 |
| Qualified XXVI | 341.821 | 8.83 | 3,018 |
| Qualified XXVIII | 26,841.644 | 7.21 | 193,528 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|----------------------------------------------------|----------------------|-------------------|-----------------------|
| ING Solution 2015 Portfolio - Service Class | | | |
| (continued) | | | |
| Qualified XXXII | 5,337.610 | \$ 8.72 | \$ 46,544 |
| Qualified XXXVI | 288.678 | 8.95 | 2,584 |
| Qualified XXXVIII | 3,865.147 | 7.19 | 27,790 |
| Qualified XLIII | 154.897 | 7.17 | 1,111 |
| Qualified LIII | 33,271.709 | 9.03 | 300,444 |
| Qualified LIV | 16,604.775 | 8.97 | 148,945 |
| Qualified LVI | 40,854.933 | 9.07 | 370,554 |
| Qualified LIX | 145.337 | 8.98 | 1,305 |
| | <u>3,217,668.336</u> | | <u>\$ 28,425,300</u> |
| ING Solution 2025 Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 245,662.027 | \$ 8.49 | \$ 2,085,671 |
| ING MAP PLUS NP3 | 428.017 | 8.46 | 3,621 |
| ING MAP PLUS NP4 | 11,629.602 | 8.44 | 98,154 |
| ING MAP PLUS NP6 | 8,555.096 | 8.41 | 71,948 |
| ING MAP PLUS NP8 | 110,596.925 | 8.38 | 926,802 |
| ING MAP PLUS NP9 | 92,067.379 | 8.36 | 769,683 |
| ING MAP PLUS NP10 | 136,123.235 | 8.35 | 1,136,629 |
| ING MAP PLUS NP11 | 87,095.092 | 8.33 | 725,502 |
| ING MAP PLUS NP12 | 107,218.093 | 8.32 | 892,055 |
| ING MAP PLUS NP13 | 15,146.889 | 8.30 | 125,719 |
| ING MAP PLUS NP14 | 50,358.084 | 8.29 | 417,469 |
| ING MAP PLUS NP15 | 80,400.392 | 8.27 | 664,911 |
| ING MAP PLUS NP16 | 65,597.065 | 8.26 | 541,832 |
| ING MAP PLUS NP17 | 33,985.745 | 8.24 | 280,043 |
| ING MAP PLUS NP18 | 2,542.865 | 8.23 | 20,928 |
| ING MAP PLUS NP19 | 50,865.753 | 8.21 | 417,608 |
| ING MAP PLUS NP20 | 14,016.366 | 8.20 | 114,934 |
| ING MAP PLUS NP21 | 111,887.259 | 8.18 | 915,238 |
| ING MAP PLUS NP22 | 18,430.699 | 8.17 | 150,579 |
| ING MAP PLUS NP23 | 53,726.347 | 8.15 | 437,870 |
| ING MAP PLUS NP24 | 36,525.350 | 8.14 | 297,316 |
| ING MAP PLUS NP25 | 6,733.032 | 8.12 | 54,672 |
| ING MAP PLUS NP26 | 14,979.925 | 8.11 | 121,487 |
| ING MAP PLUS NP27 | 25,609.046 | 8.09 | 207,177 |
| ING MAP PLUS NP28 | 13,241.772 | 8.08 | 106,994 |
| ING MAP PLUS NP29 | 16,978.808 | 8.06 | 136,849 |
| ING MAP PLUS NP30 | 7,136.769 | 8.05 | 57,451 |
| ING MAP PLUS NP32 | 6,643.495 | 8.02 | 53,281 |
| Qualified XXXV | 24,870.085 | 7.86 | 195,479 |
| | <u>1,449,051.212</u> | | <u>\$ 12,027,902</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|----------------------------------------------------|----------------------|-------------------|-----------------------|
| ING Solution 2025 Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| Qualified V | 1,833.714 | \$ 8.14 | \$ 14,926 |
| Qualified VI | 1,273,395.295 | 8.19 | 10,429,107 |
| Qualified X (1.15) | 38,679.313 | 8.22 | 317,944 |
| Qualified X (1.25) | 94,699.400 | 8.19 | 775,588 |
| Qualified XII (0.00) | 24,076.462 | 8.57 | 206,335 |
| Qualified XII (0.05) | 501,318.194 | 8.56 | 4,291,284 |
| Qualified XII (0.25) | 3,924.915 | 8.49 | 33,323 |
| Qualified XII (0.30) | 103,083.593 | 8.48 | 874,149 |
| Qualified XII (0.35) | 205,625.329 | 8.46 | 1,739,590 |
| Qualified XII (0.40) | 45,787.675 | 8.45 | 386,906 |
| Qualified XII (0.50) | 205,307.566 | 8.41 | 1,726,637 |
| Qualified XII (0.55) | 61,284.949 | 8.40 | 514,794 |
| Qualified XII (0.60) | 282,861.628 | 8.38 | 2,370,380 |
| Qualified XII (0.65) | 11,054.431 | 8.37 | 92,526 |
| Qualified XII (0.70) | 166,858.824 | 8.35 | 1,393,271 |
| Qualified XII (0.75) | 226,390.459 | 8.34 | 1,888,096 |
| Qualified XII (0.80) | 32,066.286 | 8.32 | 266,792 |
| Qualified XII (0.85) | 278,523.229 | 8.31 | 2,314,528 |
| Qualified XII (0.90) | 50,384.847 | 8.29 | 417,690 |
| Qualified XII (0.95) | 257,129.244 | 8.28 | 2,129,030 |
| Qualified XII (1.00) | 214,322.869 | 8.26 | 1,770,307 |
| Qualified XII (1.05) | 49,901.915 | 8.25 | 411,691 |
| Qualified XII (1.10) | 63,036.826 | 8.23 | 518,793 |
| Qualified XII (1.15) | 61,988.655 | 8.22 | 509,547 |
| Qualified XII (1.20) | 22,181.637 | 8.20 | 181,889 |
| Qualified XII (1.25) | 45,542.954 | 8.19 | 372,997 |
| Qualified XII (1.30) | 2,997.388 | 8.17 | 24,489 |
| Qualified XII (1.35) | 72.848 | 8.15 | 594 |
| Qualified XII (1.40) | 23,029.722 | 8.14 | 187,462 |
| Qualified XII (1.45) | 3,531.617 | 8.13 | 28,712 |
| Qualified XV | 1,813.341 | 8.28 | 15,014 |
| Qualified XVI | 40,147.042 | 8.11 | 325,593 |
| Qualified XVIII | 289.328 | 8.19 | 2,370 |
| Qualified XXI | 20,099.901 | 8.32 | 167,231 |
| Qualified XXV | 632.291 | 8.34 | 5,273 |
| Qualified XXVI | 1,167.203 | 8.29 | 9,676 |
| Qualified XXVIII | 33,376.720 | 6.47 | 215,947 |
| Qualified XXXII | 2,054.078 | 8.19 | 16,823 |
| Qualified XXXVI | 449.317 | 8.40 | 3,774 |
| Qualified XXXVIII | 5,926.451 | 6.45 | 38,226 |
| Qualified XLIII | 137.608 | 6.43 | 885 |
| Qualified LIII | 41,497.499 | 8.48 | 351,899 |
| Qualified LIV | 26,857.521 | 8.42 | 226,140 |
| Qualified LVI | 43,270.256 | 8.51 | 368,230 |
| | <u>4,568,610.340</u> | | <u>\$ 37,936,458</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| <u>Division/Contract</u> | <u>Units</u> | <u>Unit Value</u> | <u>Extended Value</u> |
|----------------------------------------------------|----------------------|-------------------|-----------------------|
| ING Solution 2035 Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 110,404.498 | \$ 8.36 | \$ 922,982 |
| ING MAP PLUS NP4 | 779.322 | 8.32 | 6,484 |
| ING MAP PLUS NP6 | 5,176.036 | 8.29 | 42,909 |
| ING MAP PLUS NP8 | 176,524.452 | 8.26 | 1,458,092 |
| ING MAP PLUS NP9 | 99,664.208 | 8.24 | 821,233 |
| ING MAP PLUS NP10 | 76,647.795 | 8.23 | 630,811 |
| ING MAP PLUS NP11 | 50,713.468 | 8.21 | 416,358 |
| ING MAP PLUS NP12 | 95,572.394 | 8.20 | 783,694 |
| ING MAP PLUS NP13 | 20,938.978 | 8.18 | 171,281 |
| ING MAP PLUS NP14 | 73,308.256 | 8.17 | 598,928 |
| ING MAP PLUS NP15 | 65,763.459 | 8.15 | 535,972 |
| ING MAP PLUS NP16 | 45,201.471 | 8.14 | 367,940 |
| ING MAP PLUS NP17 | 66,359.787 | 8.12 | 538,841 |
| ING MAP PLUS NP18 | 5,461.515 | 8.11 | 44,293 |
| ING MAP PLUS NP19 | 39,442.871 | 8.09 | 319,093 |
| ING MAP PLUS NP20 | 13,915.837 | 8.08 | 112,440 |
| ING MAP PLUS NP21 | 62,444.439 | 8.06 | 503,302 |
| ING MAP PLUS NP22 | 20,144.602 | 8.05 | 162,164 |
| ING MAP PLUS NP23 | 25,176.918 | 8.03 | 202,171 |
| ING MAP PLUS NP24 | 21,989.812 | 8.02 | 176,358 |
| ING MAP PLUS NP25 | 6,247.198 | 8.00 | 49,978 |
| ING MAP PLUS NP26 | 13,786.498 | 7.99 | 110,154 |
| ING MAP PLUS NP27 | 38,382.458 | 7.97 | 305,908 |
| ING MAP PLUS NP28 | 9,501.020 | 7.96 | 75,628 |
| ING MAP PLUS NP29 | 18,715.390 | 7.94 | 148,600 |
| ING MAP PLUS NP30 | 5,965.784 | 7.93 | 47,309 |
| ING MAP PLUS NP32 | 1,280.341 | 7.90 | 10,115 |
| Qualified XXXV | 26,678.097 | 7.66 | 204,354 |
| | <u>1,196,186.904</u> | | <u>\$ 9,767,392</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|----------------------------------------------------|----------------------|-------------------|-----------------------|
| ING Solution 2035 Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| Qualified VI | 753,836.188 | \$ 8.07 | \$ 6,083,458 |
| Qualified X (1.15) | 14,092.698 | 8.10 | 114,151 |
| Qualified X (1.25) | 61,689.674 | 8.07 | 497,836 |
| Qualified XII (0.00) | 14,316.167 | 8.45 | 120,972 |
| Qualified XII (0.05) | 330,457.848 | 8.44 | 2,789,064 |
| Qualified XII (0.25) | 853.268 | 8.37 | 7,142 |
| Qualified XII (0.30) | 113,613.116 | 8.36 | 949,806 |
| Qualified XII (0.35) | 139,376.776 | 8.34 | 1,162,402 |
| Qualified XII (0.40) | 30,561.882 | 8.33 | 254,580 |
| Qualified XII (0.50) | 228,490.035 | 8.29 | 1,894,182 |
| Qualified XII (0.55) | 40,252.894 | 8.28 | 333,294 |
| Qualified XII (0.60) | 139,208.884 | 8.26 | 1,149,865 |
| Qualified XII (0.65) | 10,473.320 | 8.25 | 86,405 |
| Qualified XII (0.70) | 144,870.671 | 8.23 | 1,192,286 |
| Qualified XII (0.75) | 67,801.050 | 8.22 | 557,325 |
| Qualified XII (0.80) | 16,141.002 | 8.20 | 132,356 |
| Qualified XII (0.85) | 293,653.917 | 8.19 | 2,405,026 |
| Qualified XII (0.90) | 76,061.985 | 8.17 | 621,426 |
| Qualified XII (0.95) | 155,506.740 | 8.16 | 1,268,935 |
| Qualified XII (1.00) | 282,299.204 | 8.14 | 2,297,916 |
| Qualified XII (1.05) | 26,444.974 | 8.13 | 214,998 |
| Qualified XII (1.10) | 56,998.039 | 8.11 | 462,254 |
| Qualified XII (1.15) | 60,944.949 | 8.10 | 493,654 |
| Qualified XII (1.20) | 11,383.151 | 8.08 | 91,976 |
| Qualified XII (1.25) | 63,052.761 | 8.07 | 508,836 |
| Qualified XII (1.30) | 1,997.252 | 8.05 | 16,078 |
| Qualified XII (1.35) | 17.194 | 8.04 | 138 |
| Qualified XII (1.40) | 15,217.085 | 8.02 | 122,041 |
| Qualified XII (1.45) | 431.740 | 8.01 | 3,458 |
| Qualified XII (1.50) | 2,270.003 | 7.99 | 18,137 |
| Qualified XIII | 1,187.114 | 8.16 | 9,687 |
| Qualified XV | 24.038 | 8.16 | 196 |
| Qualified XVI | 54,863.004 | 7.99 | 438,355 |
| Qualified XVIII | 2,071.732 | 8.07 | 16,719 |
| Qualified XXI | 51,405.283 | 8.20 | 421,523 |
| Qualified XXV | 8,141.738 | 8.22 | 66,925 |
| Qualified XXVI | 343.404 | 8.17 | 2,806 |
| Qualified XXXII | 2,323.994 | 8.07 | 18,755 |
| Qualified XXXVI | 6,412.873 | 8.28 | 53,099 |
| Qualified XXXVIII | 24,052.483 | 6.13 | 147,442 |
| Qualified XLIII | 1,785.065 | 6.11 | 10,907 |
| Qualified LIII | 25,362.072 | 8.35 | 211,773 |
| Qualified LIV | 18,919.680 | 8.30 | 157,033 |
| Qualified LVI | 34,912.505 | 8.39 | 292,916 |
| Qualified LIX | 1,511.811 | 8.31 | 12,563 |
| | <u>3,385,631.263</u> | | <u>\$ 27,710,696</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| <u>Division/Contract</u> | <u>Units</u> | <u>Unit Value</u> | <u>Extended Value</u> |
|----------------------------------------------------|--------------------|-------------------|-----------------------|
| ING Solution 2045 Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 189,549.634 | \$ 8.26 | \$ 1,565,680 |
| ING MAP PLUS NP3 | 363.137 | 8.23 | 2,989 |
| ING MAP PLUS NP4 | 2,828.613 | 8.21 | 23,223 |
| ING MAP PLUS NP6 | 13,506.242 | 8.18 | 110,481 |
| ING MAP PLUS NP8 | 163,988.913 | 8.15 | 1,336,510 |
| ING MAP PLUS NP9 | 49,390.160 | 8.14 | 402,036 |
| ING MAP PLUS NP10 | 18,535.268 | 8.12 | 150,506 |
| ING MAP PLUS NP11 | 42,430.165 | 8.11 | 344,109 |
| ING MAP PLUS NP12 | 17,806.022 | 8.09 | 144,051 |
| ING MAP PLUS NP13 | 14,433.712 | 8.08 | 116,624 |
| ING MAP PLUS NP14 | 42,550.247 | 8.06 | 342,955 |
| ING MAP PLUS NP15 | 61,318.513 | 8.05 | 493,614 |
| ING MAP PLUS NP16 | 4,053.122 | 8.03 | 32,547 |
| ING MAP PLUS NP17 | 27,120.244 | 8.02 | 217,504 |
| ING MAP PLUS NP18 | 846.134 | 8.00 | 6,769 |
| ING MAP PLUS NP19 | 18,195.118 | 7.99 | 145,379 |
| ING MAP PLUS NP20 | 3,511.225 | 7.97 | 27,984 |
| ING MAP PLUS NP21 | 35,170.114 | 7.96 | 279,954 |
| ING MAP PLUS NP22 | 12,970.842 | 7.95 | 103,118 |
| ING MAP PLUS NP23 | 16,113.739 | 7.93 | 127,782 |
| ING MAP PLUS NP24 | 10,672.920 | 7.92 | 84,530 |
| ING MAP PLUS NP25 | 6,257.967 | 7.90 | 49,438 |
| ING MAP PLUS NP26 | 11,664.665 | 7.89 | 92,034 |
| ING MAP PLUS NP27 | 2,030.831 | 7.87 | 15,983 |
| ING MAP PLUS NP28 | 3,420.253 | 7.86 | 26,883 |
| ING MAP PLUS NP29 | 16,423.205 | 7.84 | 128,758 |
| ING MAP PLUS NP30 | 4,835.649 | 7.83 | 37,863 |
| ING MAP PLUS NP32 | 3,794.905 | 7.80 | 29,600 |
| Qualified XXXV | 3,498.564 | 7.43 | 25,994 |
| | <u>797,280.123</u> | | <u>\$ 6,464,898</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|----------------------------------------------------|----------------------|-------------------|-----------------------|
| ING Solution 2045 Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| Qualified VI | 587,537.146 | \$ 7.95 | \$ 4,670,920 |
| Qualified X (1.15) | 5,144.060 | 7.98 | 41,050 |
| Qualified X (1.25) | 31,958.003 | 7.95 | 254,066 |
| Qualified XII (0.00) | 4,131.246 | 8.32 | 34,372 |
| Qualified XII (0.05) | 187,679.667 | 8.32 | 1,561,495 |
| Qualified XII (0.30) | 100,303.819 | 8.23 | 825,500 |
| Qualified XII (0.35) | 16,962.620 | 8.22 | 139,433 |
| Qualified XII (0.40) | 20,618.717 | 8.20 | 169,073 |
| Qualified XII (0.50) | 149,502.699 | 8.17 | 1,221,437 |
| Qualified XII (0.55) | 23,976.308 | 8.16 | 195,647 |
| Qualified XII (0.60) | 70,951.878 | 8.14 | 577,548 |
| Qualified XII (0.65) | 12,258.554 | 8.13 | 99,662 |
| Qualified XII (0.70) | 108,425.379 | 8.11 | 879,330 |
| Qualified XII (0.75) | 53,974.485 | 8.10 | 437,193 |
| Qualified XII (0.80) | 4,802.991 | 8.08 | 38,808 |
| Qualified XII (0.85) | 205,962.627 | 8.07 | 1,662,118 |
| Qualified XII (0.90) | 21,630.005 | 8.05 | 174,122 |
| Qualified XII (0.95) | 129,544.760 | 8.04 | 1,041,540 |
| Qualified XII (1.00) | 165,753.158 | 8.02 | 1,329,340 |
| Qualified XII (1.05) | 15,800.813 | 8.01 | 126,565 |
| Qualified XII (1.10) | 55,699.569 | 7.99 | 445,040 |
| Qualified XII (1.15) | 25,773.380 | 7.98 | 205,672 |
| Qualified XII (1.20) | 13,002.891 | 7.96 | 103,503 |
| Qualified XII (1.25) | 40,658.420 | 7.95 | 323,234 |
| Qualified XII (1.30) | 1,916.261 | 7.93 | 15,196 |
| Qualified XII (1.35) | 12.544 | 7.92 | 99 |
| Qualified XII (1.40) | 22,707.453 | 7.91 | 179,616 |
| Qualified XII (1.45) | 252.006 | 7.89 | 1,988 |
| Qualified XIII | 97.558 | 8.04 | 784 |
| Qualified XV | 2,225.032 | 8.04 | 17,889 |
| Qualified XVI | 24,995.551 | 7.88 | 196,965 |
| Qualified XXI | 14,260.340 | 8.08 | 115,224 |
| Qualified XXV | 1,735.465 | 8.10 | 14,057 |
| Qualified XXVI | 1,594.866 | 8.05 | 12,839 |
| Qualified XXVIII | 9,152.521 | 5.89 | 53,908 |
| Qualified XXXVI | 11,959.161 | 8.16 | 97,587 |
| Qualified XXXVIII | 5,051.361 | 5.84 | 29,500 |
| Qualified XLIII | 2,946.567 | 5.82 | 17,149 |
| Qualified LIII | 10,083.341 | 8.23 | 82,986 |
| Qualified LIV | 12,034.692 | 8.18 | 98,444 |
| Qualified LVI | 23,132.414 | 8.27 | 191,305 |
| Qualified LIX | 743.447 | 8.19 | 6,089 |
| | <u>2,196,953.775</u> | | <u>\$ 17,688,293</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-----------------------------------------------------------------|-------------------|-------------------|-----------------------|
| ING Solution Growth and Income Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| Qualified VI | 32,180.847 | \$ 7.64 | \$ 245,862 |
| Qualified XII (0.50) | 427.777 | 7.67 | 3,281 |
| Qualified XII (0.60) | 132.494 | 7.67 | 1,016 |
| Qualified XII (0.65) | 41.975 | 7.67 | 322 |
| Qualified XII (0.70) | 2,161.829 | 7.66 | 16,560 |
| Qualified XII (0.80) | 2,250.688 | 7.66 | 17,240 |
| Qualified XII (0.85) | 2,658.285 | 7.66 | 20,362 |
| Qualified XII (0.95) | 17.980 | 7.65 | 138 |
| Qualified XII (1.00) | 21,087.485 | 7.65 | 161,319 |
| Qualified XII (1.10) | 2,890.971 | 7.64 | 22,087 |
| Qualified XII (1.25) | 4,029.936 | 7.64 | 30,789 |
| Qualified XII (1.40) | 264.853 | 7.63 | 2,021 |
| Qualified LIV | 98.868 | 7.66 | 757 |
| Qualified LVI | 13,442.432 | 7.69 | 103,372 |
| | <u>81,686.420</u> | | <u>\$ 625,126</u> |
| ING Solution Growth Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| Qualified VI | 10,721.602 | \$ 6.91 | \$ 74,086 |
| Qualified XII (0.70) | 5,381.584 | 6.94 | 37,348 |
| Qualified XII (0.80) | 11.280 | 6.93 | 78 |
| Qualified XII (0.85) | 607.313 | 6.93 | 4,209 |
| Qualified XII (0.90) | 156.512 | 6.93 | 1,085 |
| Qualified XII (0.95) | 2,050.000 | 6.93 | 14,207 |
| Qualified XII (1.00) | 1,119.089 | 6.93 | 7,755 |
| Qualified XII (1.05) | 26.488 | 6.92 | 183 |
| Qualified XII (1.10) | 6.019 | 6.92 | 42 |
| Qualified XII (1.25) | 177.735 | 6.91 | 1,228 |
| Qualified XV | 45.698 | 6.93 | 317 |
| Qualified XLIII | 8.534 | 6.95 | 59 |
| Qualified LIV | 100.345 | 6.93 | 695 |
| Qualified LVI | 4,649.234 | 6.96 | 32,359 |
| | <u>25,061.433</u> | | <u>\$ 173,651</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|------------------------------------------------------|--------------------|-------------------|-----------------------|
| ING Solution Income Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 11,460.677 | \$ 9.68 | \$ 110,939 |
| ING MAP PLUS NP4 | 8.096 | 9.63 | 78 |
| ING MAP PLUS NP6 | 36,734.582 | 9.59 | 352,285 |
| ING MAP PLUS NP8 | 164,589.865 | 9.56 | 1,573,479 |
| ING MAP PLUS NP9 | 35,314.473 | 9.54 | 336,900 |
| ING MAP PLUS NP10 | 305,682.724 | 9.52 | 2,910,100 |
| ING MAP PLUS NP11 | 25,950.507 | 9.50 | 246,530 |
| ING MAP PLUS NP12 | 23,709.744 | 9.49 | 225,005 |
| ING MAP PLUS NP13 | 14,236.091 | 9.47 | 134,816 |
| ING MAP PLUS NP14 | 13,820.551 | 9.45 | 130,604 |
| ING MAP PLUS NP15 | 19,677.624 | 9.43 | 185,560 |
| ING MAP PLUS NP16 | 26,895.602 | 9.42 | 253,357 |
| ING MAP PLUS NP17 | 1,081.470 | 9.40 | 10,166 |
| ING MAP PLUS NP18 | 6,180.926 | 9.38 | 57,977 |
| ING MAP PLUS NP19 | 17,525.226 | 9.36 | 164,036 |
| ING MAP PLUS NP21 | 31,729.571 | 9.33 | 296,037 |
| ING MAP PLUS NP22 | 15,325.220 | 9.31 | 142,678 |
| ING MAP PLUS NP23 | 739.978 | 9.30 | 6,882 |
| ING MAP PLUS NP24 | 22,859.388 | 9.28 | 212,135 |
| ING MAP PLUS NP25 | 1,467.154 | 9.26 | 13,586 |
| ING MAP PLUS NP26 | 1,011.438 | 9.25 | 9,356 |
| ING MAP PLUS NP28 | 568.230 | 9.21 | 5,233 |
| ING MAP PLUS NP29 | 1,360.953 | 9.19 | 12,507 |
| Qualified XXXV | 76,422.111 | 9.40 | 718,368 |
| | <u>854,352.201</u> | | <u>\$ 8,108,614</u> |
| ING Solution Income Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 428.173 | \$ 9.34 | \$ 3,999 |
| Qualified VI | 196,648.931 | 9.34 | 1,836,701 |
| Qualified X (1.15) | 16,264.626 | 9.38 | 152,562 |
| Qualified X (1.25) | 83,878.663 | 9.34 | 783,427 |
| Qualified XII (0.00) | 284.612 | 9.78 | 2,784 |
| Qualified XII (0.05) | 47,168.619 | 9.78 | 461,309 |
| Qualified XII (0.30) | 91,871.050 | 9.68 | 889,312 |
| Qualified XII (0.35) | 5,920.575 | 9.66 | 57,193 |
| Qualified XII (0.40) | 1,170.330 | 9.64 | 11,282 |
| Qualified XII (0.50) | 53,963.051 | 9.60 | 518,045 |
| Qualified XII (0.55) | 6,853.338 | 9.59 | 65,724 |
| Qualified XII (0.60) | 27,938.770 | 9.57 | 267,374 |
| Qualified XII (0.65) | 5,293.895 | 9.55 | 50,557 |
| Qualified XII (0.70) | 12,606.163 | 9.53 | 120,137 |
| Qualified XII (0.75) | 7,502.477 | 9.52 | 71,424 |
| Qualified XII (0.85) | 22,487.914 | 9.48 | 213,185 |
| Qualified XII (0.90) | 713.198 | 9.46 | 6,747 |
| Qualified XII (0.95) | 20,663.996 | 9.45 | 195,275 |
| Qualified XII (1.00) | 64,790.098 | 9.43 | 610,971 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|------------------------------------------------------|--------------------|-------------------|-----------------------|
| ING Solution Income Portfolio - Service Class | | | |
| (continued) | | | |
| Qualified XII (1.05) | 8,685.515 | \$ 9.41 | \$ 81,731 |
| Qualified XII (1.10) | 6,426.589 | 9.39 | 60,346 |
| Qualified XII (1.15) | 4.779 | 9.38 | 45 |
| Qualified XII (1.20) | 36.928 | 9.36 | 346 |
| Qualified XII (1.25) | 5,441.987 | 9.34 | 50,828 |
| Qualified XII (1.40) | 662.258 | 9.29 | 6,152 |
| Qualified XII (1.45) | 193.656 | 9.27 | 1,795 |
| Qualified XVI | 1,113.215 | 9.26 | 10,308 |
| Qualified XVIII | 5,698.953 | 9.34 | 53,228 |
| Qualified XXI | 2,431.337 | 9.50 | 23,098 |
| Qualified XXVIII | 66.041 | 8.35 | 551 |
| Qualified XXXII | 1,177.952 | 9.34 | 11,002 |
| Qualified LIV | 122.592 | 9.61 | 1,178 |
| Qualified LVI | 34,010.973 | 9.72 | 330,587 |
| | <u>732,521.254</u> | | <u>\$ 6,949,203</u> |
| ING T. Rowe Price Diversified Mid Cap Growth | | | |
| Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 29,596.662 | \$ 7.17 | \$ 212,208 |
| ING T. Rowe Price Diversified Mid Cap Growth | | | |
| Portfolio - Initial Class | | | |
| Currently payable annuity contracts: | 65,104.697 | \$ 7.65 | \$ 498,051 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 1,460.574 | 7.52 | 10,984 |
| ING MAP PLUS NP8 | 927.701 | 6.86 | 6,364 |
| ING MAP PLUS NP15 | 597.180 | 6.78 | 4,049 |
| ING MAP PLUS NP17 | 449.676 | 6.76 | 3,040 |
| ING MAP PLUS NP18 | 1,119.806 | 6.75 | 7,559 |
| ING MAP PLUS NP20 | 3,284.584 | 6.73 | 22,105 |
| ING MAP PLUS NP22 | 4,991.280 | 6.71 | 33,491 |
| ING MAP PLUS NP25 | 21.207 | 6.68 | 142 |
| ING MAP PLUS NP26 | 43.601 | 6.67 | 291 |
| ING MAP PLUS NP28 | 3,352.979 | 6.65 | 22,297 |
| ING MAP PLUS NP29 | 796.681 | 6.64 | 5,290 |
| Qualified V | 1,926.147 | 7.47 | 14,388 |
| Qualified VI | 9,772,481.320 | 7.52 | 73,489,060 |
| Qualified VIII | 15,263.358 | 7.51 | 114,628 |
| Qualified X (1.15) | 449,141.695 | 7.54 | 3,386,528 |
| Qualified X (1.25) | 604,355.008 | 7.52 | 4,544,750 |
| Qualified XII (0.00) | 24,513.651 | 8.16 | 200,031 |
| Qualified XII (0.05) | 158,005.674 | 8.15 | 1,287,746 |
| Qualified XII (0.10) | 580.341 | 7.86 | 4,561 |
| Qualified XII (0.20) | 109,613.504 | 7.83 | 858,274 |
| Qualified XII (0.25) | 28,558.487 | 7.81 | 223,042 |
| Qualified XII (0.30) | 188,320.668 | 7.80 | 1,468,901 |
| Qualified XII (0.35) | 39,391.000 | 7.78 | 306,462 |
| Qualified XII (0.40) | 102,984.089 | 7.77 | 800,186 |
| Qualified XII (0.45) | 891.637 | 7.75 | 6,910 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-----------------------------------------------------------------------------------------------|-----------------------|-------------------|-----------------------|
| ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Initial Class (continued) | | | |
| Qualified XII (0.50) | 574,121.233 | \$ 7.99 | \$ 4,587,229 |
| Qualified XII (0.55) | 209,937.768 | 7.92 | 1,662,707 |
| Qualified XII (0.60) | 219,117.929 | 7.71 | 1,689,399 |
| Qualified XII (0.65) | 519,114.519 | 7.69 | 3,991,991 |
| Qualified XII (0.70) | 320,539.871 | 7.68 | 2,461,746 |
| Qualified XII (0.75) | 632,228.406 | 7.66 | 4,842,870 |
| Qualified XII (0.80) | 893,653.847 | 7.89 | 7,050,929 |
| Qualified XII (0.85) | 985,768.906 | 7.63 | 7,521,417 |
| Qualified XII (0.90) | 78,804.125 | 7.86 | 619,400 |
| Qualified XII (0.95) | 971,117.104 | 7.60 | 7,380,490 |
| Qualified XII (1.00) | 2,328,633.046 | 7.84 | 18,256,483 |
| Qualified XII (1.05) | 203,871.573 | 7.82 | 1,594,276 |
| Qualified XII (1.10) | 235,938.134 | 7.81 | 1,842,677 |
| Qualified XII (1.15) | 185,791.220 | 7.78 | 1,445,456 |
| Qualified XII (1.20) | 60,842.008 | 7.53 | 458,140 |
| Qualified XII (1.25) | 167,991.054 | 7.75 | 1,301,931 |
| Qualified XII (1.30) | 13,901.935 | 7.73 | 107,462 |
| Qualified XII (1.35) | 11,993.813 | 7.49 | 89,834 |
| Qualified XII (1.40) | 55,676.391 | 7.47 | 415,903 |
| Qualified XII (1.45) | 4,745.567 | 7.46 | 35,402 |
| Qualified XII (1.50) | 11,581.075 | 7.44 | 86,163 |
| Qualified XIII | 24.866 | 7.60 | 189 |
| Qualified XV | 94,485.232 | 7.60 | 718,088 |
| Qualified XVI | 220,931.461 | 7.44 | 1,643,730 |
| Qualified XVII | 14,496.355 | 7.52 | 109,013 |
| Qualified XVIII | 32,220.206 | 7.52 | 242,296 |
| Qualified XXV | 139,193.967 | 7.66 | 1,066,226 |
| Qualified XXVI | 58,039.735 | 7.62 | 442,263 |
| Qualified XXVII | 4,008,264.746 | 7.64 | 30,623,143 |
| Qualified XXVIII | 458,591.603 | 7.64 | 3,503,640 |
| Qualified XXXII | 17,665.652 | 7.52 | 132,846 |
| Qualified XXII | 95.258 | 7.75 | 738 |
| Qualified XXXVI | 71,144.106 | 7.72 | 549,233 |
| Qualified XXXVIII | 192,209.714 | 5.55 | 1,066,764 |
| Qualified XLIII | 18,897.888 | 5.53 | 104,505 |
| Qualified LIII | 256,599.937 | 8.13 | 2,086,157 |
| Qualified LIV | 76,133.905 | 8.08 | 615,162 |
| Qualified LVI | 186,941.583 | 8.17 | 1,527,313 |
| Qualified LIX | 113,452.053 | 7.76 | 880,388 |
| | <u>26,222,934.336</u> | | <u>\$ 200,072,729</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| <u>Division/Contract</u> | <u>Units</u> | <u>Unit Value</u> | <u>Extended Value</u> |
|-------------------------------------------------------------------------------|-------------------|-------------------|-----------------------|
| ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 2,299.143 | \$ 7.91 | \$ 18,186 |
| ING MAP PLUS NP8 | 1,352.153 | 7.77 | 10,506 |
| ING MAP PLUS NP11 | 9,310.926 | 7.72 | 71,880 |
| ING MAP PLUS NP12 | 5,339.326 | 7.70 | 41,113 |
| ING MAP PLUS NP20 | 12,722.608 | 7.55 | 96,056 |
| ING MAP PLUS NP26 | 37.995 | 7.44 | 283 |
| Qualified VI | 7.705 | 5.56 | 43 |
| Qualified XII (1.00) | 6,034.208 | 5.66 | 34,154 |
| | <u>37,104.064</u> | | <u>\$ 272,221</u> |
| ING T. Rowe Price Growth Equity Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 103,133.008 | \$ 7.20 | \$ 742,558 |
| ING T. Rowe Price Growth Equity Portfolio - Initial Class | | | |
| Currently payable annuity contracts: | 82,875.859 | \$5.91 to \$9.90 | \$ 736,608 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 3,182.259 | 8.12 | 25,840 |
| Qualified V | 1,628.782 | 14.83 | 24,155 |
| Qualified VI | 2,863,918.288 | 14.84 | 42,500,547 |
| Qualified VIII | 1,803.238 | 15.14 | 27,301 |
| Qualified X (1.15) | 152,373.054 | 16.85 | 2,567,486 |
| Qualified X (1.25) | 193,057.107 | 16.63 | 3,210,540 |
| Qualified XII (0.00) | 21,905.206 | 10.28 | 225,186 |
| Qualified XII (0.05) | 22,315.507 | 16.30 | 363,743 |
| Qualified XII (0.10) | 204.892 | 10.17 | 2,084 |
| Qualified XII (0.20) | 79,027.050 | 10.06 | 795,012 |
| Qualified XII (0.25) | 3,113.428 | 10.01 | 31,165 |
| Qualified XII (0.30) | 289,012.715 | 9.95 | 2,875,677 |
| Qualified XII (0.35) | 10,910.460 | 9.90 | 108,014 |
| Qualified XII (0.40) | 88,083.941 | 15.02 | 1,323,021 |
| Qualified XII (0.45) | 361.357 | 9.80 | 3,541 |
| Qualified XII (0.50) | 316,428.927 | 10.18 | 3,221,246 |
| Qualified XII (0.55) | 82,227.363 | 9.69 | 796,783 |
| Qualified XII (0.60) | 219,788.133 | 9.64 | 2,118,758 |
| Qualified XII (0.65) | 176,699.754 | 9.59 | 1,694,551 |
| Qualified XII (0.70) | 250,547.829 | 9.54 | 2,390,226 |
| Qualified XII (0.75) | 347,978.751 | 9.49 | 3,302,318 |
| Qualified XII (0.80) | 352,773.086 | 10.40 | 3,668,840 |
| Qualified XII (0.85) | 321,690.549 | 14.38 | 4,625,910 |
| Qualified XII (0.90) | 22,561.831 | 9.99 | 225,393 |
| Qualified XII (0.95) | 774,473.124 | 14.20 | 10,997,518 |
| Qualified XII (1.00) | 877,473.364 | 14.11 | 12,381,149 |
| Qualified XII (1.05) | 68,507.693 | 14.02 | 960,478 |
| Qualified XII (1.10) | 69,701.755 | 13.94 | 971,642 |
| Qualified XII (1.15) | 63,751.910 | 13.85 | 882,964 |
| Qualified XII (1.20) | 19,536.759 | 13.76 | 268,826 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|------------------------------------------------------------------------------|-----------------------|-------------------|-----------------------|
| ING T. Rowe Price Growth Equity Portfolio - Initial Class (continued) | | | |
| Qualified XII (1.25) | 85,841.534 | \$ 13.67 | \$ 1,173,454 |
| Qualified XII (1.30) | 5,199.026 | 13.59 | 70,655 |
| Qualified XII (1.35) | 2,264.842 | 13.50 | 30,575 |
| Qualified XII (1.40) | 12,536.661 | 13.42 | 168,242 |
| Qualified XII (1.45) | 2,101.446 | 13.33 | 28,012 |
| Qualified XII (1.50) | 1,334.940 | 13.25 | 17,688 |
| Qualified XIII | 205.223 | 15.41 | 3,162 |
| Qualified XV | 5,829.199 | 15.39 | 89,711 |
| Qualified XVI | 104,429.728 | 14.41 | 1,504,832 |
| Qualified XVII | 9,893.265 | 14.84 | 146,816 |
| Qualified XVIII | 10,681.473 | 16.63 | 177,633 |
| Qualified XXI | 44,470.566 | 15.61 | 694,186 |
| Qualified XXV | 12,784.682 | 15.47 | 197,779 |
| Qualified XXVI | 11,625.760 | 15.28 | 177,642 |
| Qualified XXVII | 1,193,388.078 | 17.48 | 20,860,424 |
| Qualified XXVIII | 630,309.015 | 17.43 | 10,986,286 |
| Qualified XXXII | 7,793.540 | 8.20 | 63,907 |
| Qualified XXXIII (0.65) | 9,513.059 | 8.42 | 80,100 |
| Qualified XXII | 51.391 | 15.98 | 821 |
| Qualified XXXVI | 10,647.351 | 8.48 | 90,290 |
| Qualified XXXVIII | 75,352.713 | 5.65 | 425,743 |
| Qualified XLIII | 4,117.563 | 5.63 | 23,182 |
| Qualified LIII | 35,576.889 | 8.12 | 288,884 |
| Qualified LIV | 54,368.595 | 8.07 | 438,755 |
| Qualified LVI | 81,168.527 | 8.16 | 662,335 |
| Qualified LIX | 5,578.472 | 8.56 | 47,752 |
| | <u>10,194,977.509</u> | | <u>\$ 141,775,388</u> |
| ING T. Rowe Price Growth Equity Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 9,729.579 | \$ 8.15 | \$ 79,296 |
| ING MAP PLUS NP8 | 2,221.898 | 8.01 | 17,797 |
| ING MAP PLUS NP9 | 3,000.922 | 7.99 | 23,977 |
| ING MAP PLUS NP10 | 14,305.163 | 7.97 | 114,012 |
| ING MAP PLUS NP11 | 43,179.800 | 7.95 | 343,279 |
| ING MAP PLUS NP15 | 10,111.924 | 7.87 | 79,581 |
| ING MAP PLUS NP17 | 11,813.235 | 7.84 | 92,616 |
| ING MAP PLUS NP19 | 248.904 | 7.80 | 1,941 |
| ING MAP PLUS NP21 | 1,472.347 | 7.76 | 11,425 |
| ING MAP PLUS NP22 | 251.411 | 7.74 | 1,946 |
| ING MAP PLUS NP24 | 169.048 | 7.70 | 1,302 |
| ING MAP PLUS NP25 | 3,085.557 | 7.68 | 23,697 |
| ING MAP PLUS NP26 | 4,265.210 | 7.66 | 32,672 |
| ING MAP PLUS NP27 | 467.224 | 7.65 | 3,574 |
| ING MAP PLUS NP30 | 1,854.621 | 7.59 | 14,077 |
| ING MAP PLUS NP32 | 13.079 | 7.55 | 99 |
| Qualified XII (1.00) | 19,947.190 | 8.84 | 176,333 |
| | <u>126,137.112</u> | | <u>\$ 1,017,624</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| <u>Division/Contract</u> | <u>Units</u> | <u>Unit Value</u> | <u>Extended Value</u> |
|---------------------------------------------------------------|---------------|-------------------|-----------------------|
| ING Templeton Foreign Equity Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 22,686.761 | \$ 6.31 | \$ 143,153 |
| ING Templeton Foreign Equity Portfolio - Initial Class | | | |
| Currently payable annuity contracts: | 222,835.570 | \$6.23 to \$6.25 | \$ 1,392,420 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 137.643 | 6.28 | 864 |
| Qualified V | 1,445.339 | 6.28 | 9,077 |
| Qualified VI | 2,950,264.500 | 6.28 | 18,527,661 |
| Qualified VIII | 26,256.503 | 6.28 | 164,891 |
| Qualified X (1.15) | 309,317.390 | 6.29 | 1,945,606 |
| Qualified X (1.25) | 229,208.244 | 6.28 | 1,439,428 |
| Qualified XII (0.00) | 6,547.036 | 6.34 | 41,508 |
| Qualified XII (0.05) | 43,786.944 | 6.30 | 275,858 |
| Qualified XII (0.10) | 481.782 | 6.34 | 3,055 |
| Qualified XII (0.20) | 35,676.618 | 6.33 | 225,833 |
| Qualified XII (0.25) | 6,036.496 | 6.33 | 38,211 |
| Qualified XII (0.30) | 54,109.878 | 6.33 | 342,516 |
| Qualified XII (0.35) | 5,716.506 | 6.33 | 36,185 |
| Qualified XII (0.40) | 17,867.786 | 6.32 | 112,924 |
| Qualified XII (0.45) | 152.935 | 6.32 | 967 |
| Qualified XII (0.50) | 245,016.715 | 6.32 | 1,548,506 |
| Qualified XII (0.55) | 73,809.774 | 6.32 | 466,478 |
| Qualified XII (0.60) | 49,258.454 | 6.32 | 311,313 |
| Qualified XII (0.65) | 504,314.586 | 6.31 | 3,182,225 |
| Qualified XII (0.70) | 243,350.930 | 6.31 | 1,535,544 |
| Qualified XII (0.75) | 187,578.593 | 6.31 | 1,183,621 |
| Qualified XII (0.80) | 385,344.732 | 6.31 | 2,431,525 |
| Qualified XII (0.85) | 549,115.100 | 6.30 | 3,459,425 |
| Qualified XII (0.90) | 31,935.903 | 6.30 | 201,196 |
| Qualified XII (0.95) | 378,454.552 | 6.30 | 2,384,264 |
| Qualified XII (1.00) | 1,233,293.921 | 6.30 | 7,769,752 |
| Qualified XII (1.05) | 54,247.226 | 6.29 | 341,215 |
| Qualified XII (1.10) | 47,146.998 | 6.29 | 296,555 |
| Qualified XII (1.15) | 64,548.259 | 6.29 | 406,009 |
| Qualified XII (1.20) | 6,568.135 | 6.29 | 41,314 |
| Qualified XII (1.25) | 45,956.723 | 6.28 | 288,608 |
| Qualified XII (1.30) | 2,079.852 | 6.28 | 13,061 |
| Qualified XII (1.35) | 16.311 | 6.28 | 102 |
| Qualified XII (1.40) | 11,536.404 | 6.28 | 72,449 |
| Qualified XII (1.45) | 2,351.694 | 6.28 | 14,769 |
| Qualified XII (1.50) | 4,559.169 | 6.27 | 28,586 |
| Qualified XV | 55,720.524 | 6.30 | 351,039 |
| Qualified XVI | 86,034.766 | 6.27 | 539,438 |
| Qualified XVII | 859.826 | 6.28 | 5,400 |
| Qualified XVIII | 11,960.734 | 6.28 | 75,113 |
| Qualified XXV | 7,439.488 | 6.31 | 46,943 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---------------------------------------------------------------------------|-----------------------|-------------------|-----------------------|
| ING Templeton Foreign Equity Portfolio - Initial Class (continued) | | | |
| Qualified XXVI | 1,690.062 | \$ 6.30 | \$ 10,647 |
| Qualified XXVII | 3,048,126.814 | 6.25 | 19,050,793 |
| Qualified XXVIII | 561,920.614 | 6.25 | 3,512,004 |
| Qualified XXXII | 47,388.177 | 6.28 | 297,598 |
| Qualified XXXIII (0.65) | 46.063 | 6.31 | 291 |
| Qualified XXXVI | 26,651.296 | 6.32 | 168,436 |
| Qualified XXXVIII | 75,532.352 | 6.34 | 478,875 |
| Qualified XLIII | 75.188 | 6.32 | 475 |
| Qualified LIII | 28,930.380 | 6.32 | 182,840 |
| Qualified LIV | 25,434.843 | 6.31 | 160,494 |
| Qualified LVI | 16,456.242 | 6.33 | 104,168 |
| Qualified LIX | 14,277.655 | 6.32 | 90,235 |
| | <u>12,038,870.225</u> | | <u>\$ 75,608,310</u> |
| ING Templeton Foreign Equity Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 2,445.205 | \$ 7.71 | \$ 18,853 |
| ING MAP PLUS NP12 | 276.746 | 7.60 | 2,103 |
| ING MAP PLUS NP23 | 597.656 | 7.49 | 4,476 |
| ING MAP PLUS NP25 | 1,871.505 | 7.47 | 13,980 |
| ING MAP PLUS NP29 | 115.704 | 7.43 | 860 |
| | <u>5,306.816</u> | | <u>\$ 40,272</u> |
| ING Thornburg Value Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 39,135.088 | \$ 7.53 | \$ 294,687 |
| ING Thornburg Value Portfolio - Initial Class | | | |
| Currently payable annuity contracts: | 48,257.708 | \$4.48 to \$17.41 | \$ 417,286 |
| Contracts in accumulation period: | | | |
| Qualified V | 694.422 | 17.07 | 11,854 |
| Qualified VI | 863,983.811 | 17.41 | 15,041,958 |
| Qualified VIII | 3,451.025 | 14.95 | 51,593 |
| Qualified X (1.15) | 35,736.190 | 7.65 | 273,382 |
| Qualified X (1.25) | 105,253.053 | 7.57 | 796,766 |
| Qualified XII (0.00) | 3,619.936 | 8.74 | 31,638 |
| Qualified XII (0.05) | 10,204.558 | 19.12 | 195,111 |
| Qualified XII (0.10) | 73.960 | 8.65 | 640 |
| Qualified XII (0.20) | 23,159.458 | 8.56 | 198,245 |
| Qualified XII (0.25) | 1,181.615 | 8.52 | 10,067 |
| Qualified XII (0.30) | 52,011.639 | 8.47 | 440,539 |
| Qualified XII (0.35) | 2,014.687 | 8.43 | 16,984 |
| Qualified XII (0.40) | 9,541.515 | 12.31 | 117,456 |
| Qualified XII (0.45) | 5.885 | 8.34 | 49 |
| Qualified XII (0.50) | 75,191.998 | 8.80 | 661,690 |
| Qualified XII (0.55) | 48,395.278 | 8.25 | 399,261 |
| Qualified XII (0.60) | 27,438.302 | 8.20 | 224,994 |
| Qualified XII (0.65) | 84,038.743 | 8.16 | 685,756 |
| Qualified XII (0.70) | 82,621.696 | 8.12 | 670,888 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|----------------------------------------------------------------|----------------------|-------------------|-----------------------|
| ING Thornburg Value Portfolio - Initial Class | | | |
| (continued) | | | |
| Qualified XII (0.75) | 181,449.587 | \$ 8.08 | \$ 1,466,113 |
| Qualified XII (0.80) | 153,636.359 | 9.09 | 1,396,555 |
| Qualified XII (0.85) | 242,543.494 | 11.79 | 2,859,588 |
| Qualified XII (0.90) | 15,424.877 | 8.70 | 134,196 |
| Qualified XII (0.95) | 165,116.680 | 11.64 | 1,921,958 |
| Qualified XII (1.00) | 596,197.474 | 11.56 | 6,892,043 |
| Qualified XII (1.05) | 33,324.064 | 11.49 | 382,894 |
| Qualified XII (1.10) | 39,511.623 | 11.42 | 451,223 |
| Qualified XII (1.15) | 32,102.014 | 11.35 | 364,358 |
| Qualified XII (1.20) | 11,151.111 | 11.28 | 125,785 |
| Qualified XII (1.25) | 20,170.383 | 11.21 | 226,110 |
| Qualified XII (1.30) | 1,281.506 | 11.13 | 14,263 |
| Qualified XII (1.40) | 10,669.888 | 10.99 | 117,262 |
| Qualified XII (1.45) | 1,276.794 | 10.93 | 13,955 |
| Qualified XII (1.50) | 474.398 | 10.86 | 5,152 |
| Qualified XV | 13,688.306 | 18.05 | 247,074 |
| Qualified XVI | 19,684.205 | 16.91 | 332,860 |
| Qualified XVII | 180.937 | 17.41 | 3,150 |
| Qualified XVIII | 4,106.223 | 7.57 | 31,084 |
| Qualified XXV | 5,893.676 | 18.14 | 106,911 |
| Qualified XXVI | 2,012.571 | 17.92 | 36,065 |
| Qualified XXVII | 905,418.855 | 21.60 | 19,557,047 |
| Qualified XXVIII | 171,755.603 | 21.54 | 3,699,616 |
| Qualified XXXII | 2,411.648 | 8.41 | 20,282 |
| Qualified XXXVI | 9,131.097 | 7.35 | 67,114 |
| Qualified XXXVIII | 45,982.728 | 5.74 | 263,941 |
| Qualified XLIII | 314.509 | 5.72 | 1,799 |
| Qualified LIII | 19,225.491 | 8.07 | 155,150 |
| Qualified LIV | 22,881.355 | 8.01 | 183,280 |
| Qualified LVI | 15,771.011 | 8.10 | 127,745 |
| Qualified LIX | 4,690.314 | 7.42 | 34,802 |
| | <u>4,224,354.260</u> | | <u>\$ 61,485,532</u> |
| ING UBS U.S. Large Cap Equity Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 6,339.471 | \$ 6.75 | \$ 42,791 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|----------------------------------------------------------------|---------------|-------------------|-----------------------|
| ING UBS U.S. Large Cap Equity Portfolio - Initial Class | | | |
| Currently payable annuity contracts: | 54,403.229 | \$7.96 to \$8.68 | \$ 464,729 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 568.889 | 8.31 | 4,727 |
| Qualified V | 745.292 | 11.11 | 8,280 |
| Qualified VI | 2,251,578.505 | 11.40 | 25,667,995 |
| Qualified VII | 33,642.719 | 9.67 | 325,325 |
| Qualified VIII | 7,248.477 | 9.61 | 69,658 |
| Qualified IX | 2,601.154 | 9.71 | 25,257 |
| Qualified X (1.15) | 74,807.299 | 11.57 | 865,520 |
| Qualified X (1.25) | 186,231.559 | 11.40 | 2,123,040 |
| Qualified XII (0.00) | 7,482.343 | 8.17 | 61,131 |
| Qualified XII (0.05) | 16,899.011 | 12.52 | 211,576 |
| Qualified XII (0.10) | 106.174 | 8.09 | 859 |
| Qualified XII (0.20) | 22,964.434 | 8.00 | 183,715 |
| Qualified XII (0.25) | 16,485.069 | 7.96 | 131,221 |
| Qualified XII (0.30) | 54,021.506 | 7.92 | 427,850 |
| Qualified XII (0.35) | 7,130.429 | 7.88 | 56,188 |
| Qualified XII (0.40) | 5,858.218 | 7.88 | 46,163 |
| Qualified XII (0.45) | 848.570 | 7.79 | 6,610 |
| Qualified XII (0.50) | 137,354.615 | 8.16 | 1,120,814 |
| Qualified XII (0.55) | 48,469.913 | 7.71 | 373,703 |
| Qualified XII (0.60) | 35,708.076 | 7.67 | 273,881 |
| Qualified XII (0.65) | 95,392.332 | 7.63 | 727,843 |
| Qualified XII (0.70) | 117,322.660 | 7.59 | 890,479 |
| Qualified XII (0.75) | 200,877.240 | 7.55 | 1,516,623 |
| Qualified XII (0.80) | 225,785.514 | 8.31 | 1,876,278 |
| Qualified XII (0.85) | 418,815.975 | 7.55 | 3,162,061 |
| Qualified XII (0.90) | 18,341.398 | 8.01 | 146,915 |
| Qualified XII (0.95) | 324,278.693 | 7.45 | 2,415,876 |
| Qualified XII (1.00) | 457,400.229 | 7.41 | 3,389,336 |
| Qualified XII (1.05) | 24,797.785 | 7.36 | 182,512 |
| Qualified XII (1.10) | 24,844.145 | 7.31 | 181,611 |
| Qualified XII (1.15) | 84,565.197 | 7.27 | 614,789 |
| Qualified XII (1.20) | 5,386.756 | 7.22 | 38,892 |
| Qualified XII (1.25) | 35,916.643 | 7.17 | 257,522 |
| Qualified XII (1.30) | 1,068.682 | 7.13 | 7,620 |
| Qualified XII (1.35) | 579.205 | 7.08 | 4,101 |
| Qualified XII (1.40) | 11,581.450 | 7.04 | 81,533 |
| Qualified XII (1.45) | 1,382.340 | 7.00 | 9,676 |
| Qualified XII (1.50) | 1,271.498 | 6.95 | 8,837 |
| Qualified XIII | 1,302.078 | 11.84 | 15,417 |
| Qualified XV | 13,555.201 | 11.82 | 160,222 |
| Qualified XVI | 63,478.550 | 11.07 | 702,708 |
| Qualified XVII | 23,026.789 | 11.40 | 262,505 |
| Qualified XVIII | 12,344.652 | 11.40 | 140,729 |
| Qualified XIX | 2,116.652 | 7.52 | 15,917 |
| Qualified XX | 1,221.398 | 9.88 | 12,067 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|----------------------------------------------------------------------------|----------------------|-------------------|-----------------------|
| ING UBS U.S. Large Cap Equity Portfolio - Initial Class (continued) | | | |
| Qualified XXV | 8,162.276 | \$ 11.88 | \$ 96,968 |
| Qualified XXVI | 4,162.906 | 11.73 | 48,831 |
| Qualified XXVII | 737,123.533 | 11.03 | 8,130,473 |
| Qualified XXVIII | 368,505.754 | 11.00 | 4,053,563 |
| Qualified XXX | 35,271.256 | 9.68 | 341,426 |
| Qualified XXXII | 57,233.622 | 8.51 | 487,058 |
| Qualified XXIX | 2,133.647 | 9.88 | 21,080 |
| Qualified XXXVI | 30,699.381 | 7.89 | 242,218 |
| Qualified XXXVIII | 57,509.377 | 5.75 | 330,679 |
| Qualified XLIII | 221.002 | 5.74 | 1,269 |
| Qualified LIII | 51,308.906 | 7.80 | 400,209 |
| Qualified LIV | 34,978.379 | 7.75 | 271,082 |
| Qualified LVI | 68,370.968 | 7.84 | 536,028 |
| Qualified LIX | 5,755.778 | 7.97 | 45,874 |
| | <u>6,593,245.328</u> | | <u>\$ 64,277,069</u> |
| ING UBS U.S. Large Cap Equity Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XII (1.00) | 879.774 | \$ 6.56 | \$ 5,771 |
| ING Van Kampen Comstock Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 28,073.823 | \$ 7.35 | \$ 206,343 |
| ING Van Kampen Comstock Portfolio - Service Class | | | |
| Currently payable annuity contracts: | 133,747.540 | \$7.90 to \$8.77 | \$ 1,160,663 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 4,094.800 | 8.21 | 33,618 |
| ING MAP PLUS NP4 | 11,434.239 | 8.38 | 95,819 |
| ING MAP PLUS NP8 | 4,684.008 | 8.30 | 38,877 |
| ING MAP PLUS NP9 | 7,537.168 | 8.28 | 62,408 |
| ING MAP PLUS NP10 | 4.188 | 8.26 | 35 |
| ING MAP PLUS NP11 | 61,633.312 | 8.24 | 507,858 |
| ING MAP PLUS NP15 | 20,106.714 | 8.16 | 164,071 |
| ING MAP PLUS NP17 | 19,079.287 | 8.12 | 154,924 |
| ING MAP PLUS NP18 | 285.867 | 8.10 | 2,316 |
| ING MAP PLUS NP19 | 1,934.853 | 8.08 | 15,634 |
| ING MAP PLUS NP20 | 209.053 | 8.06 | 1,685 |
| ING MAP PLUS NP21 | 3,959.216 | 8.04 | 31,832 |
| ING MAP PLUS NP22 | 1,157.920 | 8.02 | 9,287 |
| ING MAP PLUS NP23 | 15,243.452 | 8.00 | 121,948 |
| ING MAP PLUS NP24 | 1,376.566 | 7.98 | 10,985 |
| ING MAP PLUS NP26 | 642.936 | 7.94 | 5,105 |
| ING MAP PLUS NP28 | 3,541.696 | 7.90 | 27,979 |
| ING MAP PLUS NP29 | 726.835 | 7.88 | 5,727 |
| ING MAP PLUS NP32 | 12.364 | 7.82 | 97 |
| Qualified V | 332.530 | 8.59 | 2,856 |
| Qualified VI | 1,203,907.562 | 8.68 | 10,449,918 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--------------------------------------------------------------------------|----------------------|-------------------|-----------------------|
| ING Van Kampen Comstock Portfolio - Service Class (continued) | | | |
| Qualified X (1.15) | 58,062.241 | \$ 8.74 | \$ 507,464 |
| Qualified X (1.25) | 194,660.495 | 8.68 | 1,689,653 |
| Qualified XII (0.00) | 6,993.468 | 9.44 | 66,018 |
| Qualified XII (0.10) | 104.085 | 9.38 | 976 |
| Qualified XII (0.30) | 24,161.301 | 9.25 | 223,492 |
| Qualified XII (0.35) | 317.299 | 9.22 | 2,926 |
| Qualified XII (0.40) | 11,514.418 | 9.19 | 105,818 |
| Qualified XII (0.50) | 144,880.249 | 9.13 | 1,322,757 |
| Qualified XII (0.55) | 32,182.445 | 9.10 | 292,860 |
| Qualified XII (0.60) | 31,411.432 | 9.07 | 284,902 |
| Qualified XII (0.65) | 150,798.433 | 9.04 | 1,363,218 |
| Qualified XII (0.70) | 46,060.060 | 9.01 | 415,001 |
| Qualified XII (0.75) | 391,246.723 | 8.98 | 3,513,396 |
| Qualified XII (0.80) | 87,715.057 | 8.95 | 785,050 |
| Qualified XII (0.85) | 146,396.450 | 8.92 | 1,305,856 |
| Qualified XII (0.90) | 48,408.234 | 8.89 | 430,349 |
| Qualified XII (0.95) | 114,381.356 | 8.86 | 1,013,419 |
| Qualified XII (1.00) | 626,095.792 | 8.83 | 5,528,426 |
| Qualified XII (1.05) | 22,049.485 | 8.80 | 194,035 |
| Qualified XII (1.10) | 19,116.400 | 8.77 | 167,651 |
| Qualified XII (1.15) | 23,296.578 | 8.74 | 203,612 |
| Qualified XII (1.20) | 4,314.056 | 8.71 | 37,575 |
| Qualified XII (1.25) | 71,894.766 | 8.68 | 624,047 |
| Qualified XII (1.30) | 368.606 | 8.65 | 3,188 |
| Qualified XII (1.35) | 353.655 | 8.62 | 3,049 |
| Qualified XII (1.40) | 2,835.758 | 8.59 | 24,359 |
| Qualified XII (1.45) | 2,224.513 | 8.57 | 19,064 |
| Qualified XII (1.50) | 39.896 | 8.54 | 341 |
| Qualified XV | 2,347.231 | 8.86 | 20,796 |
| Qualified XVI | 29,781.550 | 8.54 | 254,334 |
| Qualified XVII | 1,426.280 | 8.68 | 12,380 |
| Qualified XVIII | 5,263.082 | 8.83 | 46,473 |
| Qualified XXV | 5,120.921 | 8.98 | 45,986 |
| Qualified XXVI | 1,252.291 | 8.89 | 11,133 |
| Qualified XXVII | 824,062.143 | 10.31 | 8,496,081 |
| Qualified XXXII | 3,976.975 | 8.54 | 33,963 |
| Qualified XXXIII (0.65) | 12,509.276 | 9.18 | 114,835 |
| Qualified XXXVIII | 62,696.140 | 6.05 | 379,312 |
| Qualified XLIII | 1,749.904 | 6.03 | 10,552 |
| Qualified LIII | 11,516.753 | 7.62 | 87,758 |
| Qualified LIV | 46,203.527 | 7.57 | 349,761 |
| Qualified LVI | 6,774.528 | 7.65 | 51,825 |
| Qualified LIX | 2,907.562 | 9.24 | 26,866 |
| | <u>4,775,123.520</u> | | <u>\$ 42,974,199</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-----------------------------------------------------------------------|---------------|-------------------|-----------------------|
| ING Van Kampen Equity and Income Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 34,718.452 | \$ 8.88 | \$ 308,300 |
| ING Van Kampen Equity and Income Portfolio - Initial Class | | | |
| Currently payable annuity contracts: | 317,584.966 | \$8.98 to \$9.33 | \$ 2,953,576 |
| Contracts in accumulation period: | | | |
| Qualified V | 3,158.738 | 9.15 | 28,902 |
| Qualified VI | 7,957,358.243 | 9.20 | 73,207,696 |
| Qualified VIII | 14,126.048 | 9.20 | 129,960 |
| Qualified X (1.15) | 431,866.754 | 9.24 | 3,990,449 |
| Qualified X (1.25) | 786,937.018 | 9.20 | 7,239,821 |
| Qualified XII (0.00) | 26,805.709 | 9.66 | 258,943 |
| Qualified XII (0.05) | 108,398.827 | 10.03 | 1,087,240 |
| Qualified XII (0.10) | 607.334 | 9.62 | 5,843 |
| Qualified XII (0.20) | 146,260.667 | 9.89 | 1,446,518 |
| Qualified XII (0.25) | 12,532.054 | 9.88 | 123,817 |
| Qualified XII (0.30) | 895,039.193 | 9.55 | 8,547,624 |
| Qualified XII (0.35) | 16,731.554 | 9.84 | 164,638 |
| Qualified XII (0.40) | 80,134.634 | 9.81 | 786,121 |
| Qualified XII (0.45) | 147.100 | 9.49 | 1,396 |
| Qualified XII (0.50) | 633,249.921 | 9.82 | 6,218,514 |
| Qualified XII (0.55) | 185,525.004 | 9.74 | 1,807,014 |
| Qualified XII (0.60) | 297,636.020 | 9.72 | 2,893,022 |
| Qualified XII (0.65) | 685,885.081 | 9.42 | 6,461,037 |
| Qualified XII (0.70) | 375,078.507 | 9.66 | 3,623,258 |
| Qualified XII (0.75) | 855,619.147 | 9.38 | 8,025,708 |
| Qualified XII (0.80) | 851,813.675 | 9.70 | 8,262,593 |
| Qualified XII (0.85) | 759,859.608 | 9.69 | 7,363,040 |
| Qualified XII (0.90) | 54,955.419 | 9.66 | 530,869 |
| Qualified XII (0.95) | 954,043.905 | 9.65 | 9,206,524 |
| Qualified XII (1.00) | 2,829,579.043 | 9.63 | 27,248,846 |
| Qualified XII (1.05) | 357,526.769 | 9.27 | 3,314,273 |
| Qualified XII (1.10) | 301,980.441 | 9.59 | 2,895,992 |
| Qualified XII (1.15) | 173,778.545 | 9.56 | 1,661,323 |
| Qualified XII (1.20) | 68,006.509 | 9.22 | 627,020 |
| Qualified XII (1.25) | 298,358.036 | 9.52 | 2,840,369 |
| Qualified XII (1.30) | 16,213.027 | 9.50 | 154,024 |
| Qualified XII (1.35) | 3,353.636 | 9.17 | 30,753 |
| Qualified XII (1.40) | 43,640.886 | 9.69 | 422,880 |
| Qualified XII (1.45) | 13,615.170 | 9.13 | 124,307 |
| Qualified XII (1.50) | 7,418.089 | 9.11 | 67,579 |
| Qualified XIII | 25.773 | 9.31 | 240 |
| Qualified XV | 22,735.671 | 9.31 | 211,669 |
| Qualified XVI | 213,576.360 | 9.11 | 1,945,681 |
| Qualified XVII | 1,105.765 | 9.20 | 10,173 |
| Qualified XVIII | 30,298.935 | 9.20 | 278,750 |
| Qualified XXI | 234,750.850 | 9.37 | 2,199,615 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-----------------------------------------------------------------------------------|-----------------------|-------------------|-----------------------|
| ING Van Kampen Equity and Income Portfolio - Initial Class (continued) | | | |
| Qualified XXV | 131,224.818 | \$ 9.38 | \$ 1,230,889 |
| Qualified XXVI | 17,821.794 | 9.33 | 166,277 |
| Qualified XXVII | 1,423,376.749 | 9.31 | 13,251,638 |
| Qualified XXXII | 18,209.135 | 9.20 | 167,524 |
| Qualified XXXIII (0.65) | 20,796.070 | 9.42 | 195,899 |
| Qualified XXXVI | 37,120.829 | 9.46 | 351,163 |
| Qualified XXXVIII | 105,356.169 | 7.51 | 791,225 |
| Qualified XLIII | 6,347.344 | 7.48 | 47,478 |
| Qualified LIII | 71,768.252 | 9.67 | 693,999 |
| Qualified LIV | 70,262.022 | 9.61 | 675,218 |
| Qualified LVI | 94,484.197 | 9.72 | 918,386 |
| Qualified LIX | 11,392.715 | 9.50 | 108,231 |
| | <u>23,075,478.725</u> | | <u>\$ 216,995,544</u> |
| ING Van Kampen Equity and Income Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| Qualified VI | 0.038 | \$ 29.41 | \$ 1 |
| Qualified XII (0.60) | 4.333 | 30.80 | 133 |
| Qualified XII (1.00) | 5,247.742 | 29.94 | 157,117 |
| | <u>5,252.113</u> | | <u>\$ 157,251</u> |
| ING VP Strategic Allocation Conservative Portfolio - Class I | | | |
| Currently payable annuity contracts: | 81,168.235 | \$8.90 to \$14.72 | \$ 796,983 |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 4,856.189 | 9.60 | 46,619 |
| ING MAP PLUS NP4 | 2,180.322 | 9.53 | 20,778 |
| ING MAP PLUS NP9 | 11,446.351 | 9.41 | 107,710 |
| ING MAP PLUS NP10 | 2,868.916 | 9.39 | 26,939 |
| ING MAP PLUS NP11 | 9,618.552 | 9.37 | 90,126 |
| ING MAP PLUS NP12 | 12,139.835 | 9.34 | 113,386 |
| ING MAP PLUS NP14 | 306.563 | 9.30 | 2,851 |
| ING MAP PLUS NP15 | 26.282 | 9.27 | 244 |
| ING MAP PLUS NP17 | 4,565.073 | 9.23 | 42,136 |
| ING MAP PLUS NP18 | 9,649.130 | 9.21 | 88,868 |
| ING MAP PLUS NP19 | 6,339.488 | 9.18 | 58,197 |
| ING MAP PLUS NP20 | 14,986.127 | 9.16 | 137,273 |
| ING MAP PLUS NP21 | 22,668.183 | 9.14 | 207,187 |
| ING MAP PLUS NP22 | 687.264 | 9.12 | 6,268 |
| ING MAP PLUS NP23 | 4,612.444 | 9.09 | 41,927 |
| ING MAP PLUS NP25 | 281.666 | 9.05 | 2,549 |
| ING MAP PLUS NP26 | 28,856.087 | 9.03 | 260,570 |
| ING MAP PLUS NP28 | 5,749.455 | 8.98 | 51,630 |
| ING MAP PLUS NP29 | 525.820 | 8.96 | 4,711 |
| ING MAP PLUS NP30 | 39.238 | 8.94 | 351 |
| Qualified V | 164.316 | 14.41 | 2,368 |
| Qualified VI | 456,136.328 | 14.72 | 6,714,327 |
| Qualified X (1.15) | 65,112.102 | 14.98 | 975,379 |
| Qualified X (1.25) | 41,203.652 | 14.78 | 608,990 |
| Qualified XII (0.00) | 5,533.893 | 11.82 | 65,411 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-------------------------------------------------------------------------------------|----------------------|-------------------|-----------------------|
| ING VP Strategic Allocation Conservative Portfolio - Class I (continued) | | | |
| Qualified XII (0.05) | 11,572.133 | \$ 16.17 | \$ 187,121 |
| Qualified XII (0.10) | 8.974 | 11.70 | 105 |
| Qualified XII (0.20) | 32.283 | 11.57 | 374 |
| Qualified XII (0.25) | 1,190.294 | 11.51 | 13,700 |
| Qualified XII (0.30) | 34,020.856 | 11.45 | 389,539 |
| Qualified XII (0.35) | 416.696 | 11.39 | 4,746 |
| Qualified XII (0.40) | 52,219.496 | 14.75 | 770,238 |
| Qualified XII (0.45) | 20.571 | 11.27 | 232 |
| Qualified XII (0.50) | 36,749.185 | 11.46 | 421,146 |
| Qualified XII (0.55) | 17,010.569 | 11.15 | 189,668 |
| Qualified XII (0.60) | 35,695.212 | 11.09 | 395,860 |
| Qualified XII (0.65) | 947.519 | 11.03 | 10,451 |
| Qualified XII (0.70) | 38,507.370 | 10.98 | 422,811 |
| Qualified XII (0.75) | 62,489.041 | 10.92 | 682,380 |
| Qualified XII (0.80) | 54,011.624 | 11.26 | 608,171 |
| Qualified XII (0.85) | 61,179.217 | 14.12 | 863,851 |
| Qualified XII (0.90) | 7,713.832 | 11.07 | 85,392 |
| Qualified XII (0.95) | 93,025.984 | 13.95 | 1,297,712 |
| Qualified XII (1.00) | 268,083.488 | 13.86 | 3,715,637 |
| Qualified XII (1.05) | 18,748.185 | 13.77 | 258,163 |
| Qualified XII (1.10) | 39,158.391 | 13.68 | 535,687 |
| Qualified XII (1.15) | 39,250.788 | 13.60 | 533,811 |
| Qualified XII (1.20) | 5,189.453 | 13.51 | 70,110 |
| Qualified XII (1.25) | 22,603.912 | 13.43 | 303,571 |
| Qualified XII (1.30) | 2,937.189 | 13.34 | 39,182 |
| Qualified XII (1.35) | 15.837 | 13.26 | 210 |
| Qualified XII (1.40) | 10,065.328 | 13.17 | 132,560 |
| Qualified XII (1.45) | 1,563.603 | 13.09 | 20,468 |
| Qualified XII (1.50) | 247.142 | 13.01 | 3,215 |
| Qualified XV | 1,238.537 | 15.26 | 18,900 |
| Qualified XVI | 16,069.171 | 14.29 | 229,628 |
| Qualified XVII | 12,346.897 | 15.33 | 189,278 |
| Qualified XVIII | 18,274.145 | 15.39 | 281,239 |
| Qualified XXV | 7,557.893 | 15.53 | 117,374 |
| Qualified XXVI | 925.613 | 15.34 | 14,199 |
| Qualified XXVII | 89,653.367 | 15.03 | 1,347,490 |
| Qualified XXVIII | 38,488.740 | 14.98 | 576,561 |
| Qualified XXXII | 2,030.881 | 9.39 | 19,070 |
| Qualified XXXIII (0.65) | 4,533.186 | 10.19 | 46,193 |
| Qualified XXXVI | 6,206.687 | 10.27 | 63,743 |
| Qualified XXXVIII | 2,700.297 | 7.64 | 20,630 |
| Qualified LIII | 10,417.281 | 9.16 | 95,422 |
| Qualified LIV | 7,500.370 | 9.10 | 68,253 |
| Qualified LVI | 34,769.061 | 9.21 | 320,223 |
| Qualified LIX | 192.340 | 10.40 | 2,000 |
| | <u>1,959,300.149</u> | | <u>\$ 25,840,092</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-------------------------------------------------------------------|---------------|-------------------|-----------------------|
| ING VP Strategic Allocation Growth Portfolio - Class I | | | |
| Currently payable annuity contracts: | 62,933.874 | \$7.21 to \$9.37 | \$ 564,098 |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 6,757.688 | 8.80 | 59,468 |
| ING MAP PLUS NP4 | 56,778.765 | 8.73 | 495,679 |
| ING MAP PLUS NP9 | 21,571.794 | 8.63 | 186,165 |
| ING MAP PLUS NP10 | 2,026.187 | 8.61 | 17,445 |
| ING MAP PLUS NP11 | 8,033.845 | 8.59 | 69,011 |
| ING MAP PLUS NP12 | 24,250.831 | 8.56 | 207,587 |
| ING MAP PLUS NP14 | 809.972 | 8.52 | 6,901 |
| ING MAP PLUS NP15 | 804.742 | 8.50 | 6,840 |
| ING MAP PLUS NP17 | 28,740.862 | 8.46 | 243,148 |
| ING MAP PLUS NP18 | 88.314 | 8.44 | 745 |
| ING MAP PLUS NP19 | 4,213.335 | 8.42 | 35,476 |
| ING MAP PLUS NP20 | 41,271.149 | 8.40 | 346,678 |
| ING MAP PLUS NP21 | 35,346.377 | 8.38 | 296,203 |
| ING MAP PLUS NP22 | 1,714.211 | 8.36 | 14,331 |
| ING MAP PLUS NP23 | 1,308.140 | 8.34 | 10,910 |
| ING MAP PLUS NP25 | 163.314 | 8.30 | 1,356 |
| ING MAP PLUS NP26 | 18,429.591 | 8.28 | 152,597 |
| ING MAP PLUS NP28 | 4,982.927 | 8.23 | 41,009 |
| ING MAP PLUS NP29 | 303.864 | 8.21 | 2,495 |
| ING MAP PLUS NP30 | 197.177 | 8.19 | 1,615 |
| Qualified V | 726.200 | 13.37 | 9,709 |
| Qualified VI | 1,321,160.941 | 13.66 | 18,047,058 |
| Qualified VIII | 8.581 | 13.65 | 117 |
| Qualified X (1.15) | 113,612.869 | 14.24 | 1,617,847 |
| Qualified X (1.25) | 78,269.902 | 14.05 | 1,099,692 |
| Qualified XII (0.00) | 8,393.445 | 9.30 | 78,059 |
| Qualified XII (0.05) | 5,060.753 | 15.01 | 75,962 |
| Qualified XII (0.20) | 371.353 | 9.11 | 3,383 |
| Qualified XII (0.25) | 1,423.455 | 9.06 | 12,897 |
| Qualified XII (0.30) | 37,172.011 | 9.01 | 334,920 |
| Qualified XII (0.35) | 3,377.727 | 8.96 | 30,264 |
| Qualified XII (0.40) | 24,458.574 | 13.19 | 322,609 |
| Qualified XII (0.50) | 129,715.275 | 9.13 | 1,184,300 |
| Qualified XII (0.55) | 90,646.007 | 8.77 | 794,965 |
| Qualified XII (0.60) | 132,592.982 | 8.73 | 1,157,537 |
| Qualified XII (0.65) | 34,645.377 | 8.68 | 300,722 |
| Qualified XII (0.70) | 114,956.442 | 8.64 | 993,224 |
| Qualified XII (0.75) | 107,712.719 | 8.59 | 925,252 |
| Qualified XII (0.80) | 110,112.211 | 9.09 | 1,000,920 |
| Qualified XII (0.85) | 137,569.244 | 12.63 | 1,737,500 |
| Qualified XII (0.90) | 26,263.223 | 8.86 | 232,692 |
| Qualified XII (0.95) | 137,772.624 | 12.47 | 1,718,025 |
| Qualified XII (1.00) | 412,933.562 | 12.39 | 5,116,247 |
| Qualified XII (1.05) | 75,844.820 | 12.32 | 934,408 |
| Qualified XII (1.10) | 66,139.373 | 12.24 | 809,546 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-------------------------------------------------------------------------------|----------------------|-------------------|-----------------------|
| ING VP Strategic Allocation Growth Portfolio - Class I (continued) | | | |
| Qualified XII (1.15) | 79,897.366 | \$ 12.16 | \$ 971,552 |
| Qualified XII (1.20) | 9,594.358 | 12.08 | 115,900 |
| Qualified XII (1.25) | 43,263.356 | 12.01 | 519,593 |
| Qualified XII (1.30) | 80.521 | 11.93 | 961 |
| Qualified XII (1.40) | 14,197.668 | 11.78 | 167,249 |
| Qualified XII (1.45) | 310.787 | 11.71 | 3,639 |
| Qualified XII (1.50) | 2,745.298 | 11.63 | 31,928 |
| Qualified XIII | 618.648 | 14.19 | 8,779 |
| Qualified XV | 4,894.963 | 14.16 | 69,313 |
| Qualified XVI | 39,316.197 | 13.27 | 521,726 |
| Qualified XVIII | 2,898.635 | 14.63 | 42,407 |
| Qualified XXV | 7,952.546 | 14.41 | 114,596 |
| Qualified XXVI | 408.199 | 14.23 | 5,809 |
| Qualified XXVII | 141,655.061 | 13.95 | 1,976,088 |
| Qualified XXVIII | 160,904.365 | 13.91 | 2,238,180 |
| Qualified XXXII | 6,824.589 | 8.76 | 59,783 |
| Qualified XXXIII (0.65) | 1,561.489 | 9.06 | 14,147 |
| Qualified XXII | 1,446.216 | 14.71 | 21,274 |
| Qualified XXXVI | 7,566.050 | 9.14 | 69,154 |
| Qualified XXXVIII | 25,964.222 | 6.32 | 164,094 |
| Qualified XLIII | 39.189 | 6.30 | 247 |
| Qualified LIII | 6,144.583 | 8.29 | 50,939 |
| Qualified LIV | 19,418.320 | 8.24 | 160,007 |
| Qualified LVI | 25,444.450 | 8.34 | 212,207 |
| Qualified LIX | 4,072.120 | 9.25 | 37,667 |
| | <u>4,098,885.825</u> | | <u>\$ 48,874,851</u> |
| ING VP Strategic Allocation Moderate Portfolio - Class I | | | |
| Currently payable annuity contracts: | 104,162.597 | \$8.07 to \$9.94 | \$ 959,699 |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 7,765.867 | 9.17 | 71,213 |
| ING MAP PLUS NP4 | 8,708.032 | 9.10 | 79,243 |
| ING MAP PLUS NP9 | 17,954.261 | 8.99 | 161,409 |
| ING MAP PLUS NP10 | 1,245.610 | 8.97 | 11,173 |
| ING MAP PLUS NP11 | 55,236.715 | 8.95 | 494,369 |
| ING MAP PLUS NP12 | 74,116.601 | 8.92 | 661,120 |
| ING MAP PLUS NP13 | 233.720 | 8.90 | 2,080 |
| ING MAP PLUS NP14 | 1,473.766 | 8.88 | 13,087 |
| ING MAP PLUS NP15 | 22,936.404 | 8.86 | 203,217 |
| ING MAP PLUS NP17 | 45,902.146 | 8.81 | 404,398 |
| ING MAP PLUS NP18 | 3,130.904 | 8.79 | 27,521 |
| ING MAP PLUS NP19 | 19,262.559 | 8.77 | 168,933 |
| ING MAP PLUS NP20 | 31,530.184 | 8.75 | 275,889 |
| ING MAP PLUS NP21 | 23,620.213 | 8.73 | 206,204 |
| ING MAP PLUS NP22 | 5,294.320 | 8.71 | 46,114 |
| ING MAP PLUS NP23 | 6,008.124 | 8.69 | 52,211 |
| ING MAP PLUS NP25 | 28.774 | 8.64 | 249 |
| ING MAP PLUS NP26 | 40,700.998 | 8.62 | 350,843 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---------------------------------------------------------------------------------|---------------|-------------------|-----------------------|
| ING VP Strategic Allocation Moderate Portfolio - Class I (continued) | | | |
| ING MAP PLUS NP28 | 3,689.693 | \$ 8.58 | \$ 31,658 |
| ING MAP PLUS NP29 | 928.159 | 8.56 | 7,945 |
| ING MAP PLUS NP30 | 292.347 | 8.54 | 2,497 |
| Qualified V | 733.046 | 13.67 | 10,021 |
| Qualified VI | 1,080,869.637 | 13.97 | 15,099,749 |
| Qualified VIII | 365.481 | 13.95 | 5,098 |
| Qualified X (1.15) | 70,919.580 | 14.49 | 1,027,625 |
| Qualified X (1.25) | 67,904.241 | 14.30 | 971,031 |
| Qualified XII (0.00) | 1,798.278 | 10.29 | 18,504 |
| Qualified XII (0.05) | 3,270.155 | 15.34 | 50,164 |
| Qualified XII (0.20) | 162.100 | 10.07 | 1,632 |
| Qualified XII (0.25) | 6,618.172 | 10.02 | 66,314 |
| Qualified XII (0.30) | 52,427.731 | 9.96 | 522,180 |
| Qualified XII (0.35) | 3,585.446 | 9.91 | 35,532 |
| Qualified XII (0.40) | 59,917.112 | 13.70 | 820,864 |
| Qualified XII (0.45) | 33.528 | 9.81 | 329 |
| Qualified XII (0.50) | 156,719.288 | 10.04 | 1,573,462 |
| Qualified XII (0.55) | 311,073.588 | 9.70 | 3,017,414 |
| Qualified XII (0.60) | 123,282.310 | 9.65 | 1,189,674 |
| Qualified XII (0.65) | 25,794.524 | 9.60 | 247,627 |
| Qualified XII (0.70) | 111,872.607 | 9.55 | 1,068,383 |
| Qualified XII (0.75) | 108,882.097 | 9.50 | 1,034,380 |
| Qualified XII (0.80) | 111,012.694 | 9.96 | 1,105,686 |
| Qualified XII (0.85) | 92,821.034 | 13.13 | 1,218,740 |
| Qualified XII (0.90) | 19,693.916 | 9.73 | 191,622 |
| Qualified XII (0.95) | 149,654.677 | 12.96 | 1,939,525 |
| Qualified XII (1.00) | 243,241.332 | 12.88 | 3,132,948 |
| Qualified XII (1.05) | 62,347.304 | 12.80 | 798,045 |
| Qualified XII (1.10) | 81,075.332 | 12.72 | 1,031,278 |
| Qualified XII (1.15) | 86,697.297 | 12.64 | 1,095,854 |
| Qualified XII (1.20) | 12,123.331 | 12.56 | 152,269 |
| Qualified XII (1.25) | 47,688.405 | 12.48 | 595,151 |
| Qualified XII (1.30) | 4,119.297 | 12.40 | 51,079 |
| Qualified XII (1.35) | 15.957 | 12.32 | 197 |
| Qualified XII (1.40) | 24,561.053 | 12.24 | 300,627 |
| Qualified XII (1.45) | 871.260 | 12.17 | 10,603 |
| Qualified XII (1.50) | 1,271.555 | 12.09 | 15,373 |
| Qualified XIII | 630.913 | 14.50 | 9,148 |
| Qualified XV | 3,450.829 | 14.48 | 49,968 |
| Qualified XVI | 23,547.752 | 13.56 | 319,308 |
| Qualified XVIII | 5,130.433 | 14.89 | 76,392 |
| Qualified XXV | 2,784.687 | 14.74 | 41,046 |
| Qualified XXVII | 111,966.088 | 14.26 | 1,596,636 |
| Qualified XXVIII | 86,001.885 | 14.22 | 1,222,947 |
| Qualified XXXII | 3,127.066 | 9.05 | 28,300 |
| Qualified XXXIII (0.65) | 291.709 | 9.58 | 2,795 |
| Qualified XXII | 508.980 | 15.04 | 7,655 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-----------------------------------------------------------------------------|----------------------|--------------------|-----------------------|
| ING VP Strategic Allocation Moderate Portfolio - Class I (continued) | | | |
| Qualified XXXVI | 5,914.065 | \$ 9.65 | \$ 57,071 |
| Qualified XXXVIII | 26,032.162 | 6.91 | 179,882 |
| Qualified LIII | 5,044.079 | 8.69 | 43,833 |
| Qualified LIV | 9,833.195 | 8.63 | 84,860 |
| Qualified LVI | 19,599.491 | 8.74 | 171,300 |
| Qualified LIX | 427.581 | 9.78 | 4,182 |
| | <u>3,901,936.274</u> | | <u>\$ 46,525,375</u> |
| ING VP Growth and Income Portfolio - Class A | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 55,613.418 | \$ 6.67 | \$ 370,942 |
| ING VP Growth and Income Portfolio - Class I | | | |
| Currently payable annuity contracts: | 1,438,077.877 | \$8.14 to \$213.96 | \$ 78,198,989 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 4,114.940 | 8.63 | 35,512 |
| Qualified I | 28,223.696 | 207.42 | 5,854,159 |
| Qualified V | 1,052.007 | 15.73 | 16,548 |
| Qualified VI | 23,673,744.878 | 16.02 | 379,253,393 |
| Qualified VII | 2,206,134.166 | 15.19 | 33,511,178 |
| Qualified VIII | 16,273.557 | 14.86 | 241,825 |
| Qualified IX | 5,143.929 | 15.65 | 80,502 |
| Qualified X (1.15) | 1,005,252.640 | 16.26 | 16,345,408 |
| Qualified X (1.25) | 3,507,350.811 | 16.02 | 56,187,760 |
| Qualified XII (0.00) | 74,349.302 | 7.36 | 547,211 |
| Qualified XII (0.05) | 125,722.065 | 17.59 | 2,211,451 |
| Qualified XII (0.10) | 302.982 | 7.29 | 2,209 |
| Qualified XII (0.20) | 116,405.280 | 7.21 | 839,282 |
| Qualified XII (0.25) | 138,850.233 | 7.17 | 995,556 |
| Qualified XII (0.30) | 589,750.658 | 7.13 | 4,204,922 |
| Qualified XII (0.35) | 89,124.278 | 7.09 | 631,891 |
| Qualified XII (0.40) | 27,237.021 | 11.64 | 317,039 |
| Qualified XII (0.45) | 2,983.322 | 7.02 | 20,943 |
| Qualified XII (0.50) | 1,222,363.063 | 7.34 | 8,972,145 |
| Qualified XII (0.55) | 591,776.768 | 6.95 | 4,112,849 |
| Qualified XII (0.60) | 664,655.774 | 6.91 | 4,592,771 |
| Qualified XII (0.65) | 547,476.961 | 6.87 | 3,761,167 |
| Qualified XII (0.70) | 743,352.060 | 6.84 | 5,084,528 |
| Qualified XII (0.75) | 1,949,572.190 | 6.80 | 13,257,091 |
| Qualified XII (0.80) | 3,193,694.745 | 7.42 | 23,697,215 |
| Qualified XII (0.85) | 2,990,614.883 | 11.15 | 33,345,356 |
| Qualified XII (0.90) | 279,404.570 | 7.14 | 1,994,949 |
| Qualified XII (0.95) | 2,037,143.571 | 11.01 | 22,428,951 |
| Qualified XII (1.00) | 3,711,290.336 | 10.94 | 40,601,516 |
| Qualified XII (1.05) | 209,441.077 | 10.87 | 2,276,625 |
| Qualified XII (1.10) | 203,476.991 | 10.80 | 2,197,552 |
| Qualified XII (1.15) | 700,973.973 | 10.73 | 7,521,451 |
| Qualified XII (1.20) | 40,050.387 | 10.66 | 426,937 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-----------------------------------------------------|-----------------------|-------------------|-----------------------|
| ING VP Growth and Income Portfolio - Class I | | | |
| (continued) | | | |
| Qualified XII (1.25) | 95,114.404 | \$ 10.60 | \$ 1,008,213 |
| Qualified XII (1.30) | 6,473.364 | 10.53 | 68,165 |
| Qualified XII (1.35) | 15.406 | 10.46 | 161 |
| Qualified XII (1.40) | 35,843.026 | 10.40 | 372,767 |
| Qualified XII (1.45) | 190.667 | 10.33 | 1,970 |
| Qualified XII (1.50) | 7,858.249 | 10.27 | 80,704 |
| Qualified XIII | 1,455.938 | 16.63 | 24,212 |
| Qualified XV | 58,481.852 | 16.61 | 971,384 |
| Qualified XVI | 498,310.841 | 15.55 | 7,748,734 |
| Qualified XVII | 1,284,629.855 | 16.49 | 21,183,546 |
| Qualified XVIII | 1,535,874.097 | 16.49 | 25,326,564 |
| Qualified XIX | 7,632.454 | 213.51 | 1,629,605 |
| Qualified XX | 32,873.849 | 161.47 | 5,308,140 |
| Qualified XXV | 77,320.422 | 16.90 | 1,306,715 |
| Qualified XXVI | 14,429.908 | 16.69 | 240,835 |
| Qualified XXVII | 491,620.723 | 160.14 | 78,728,143 |
| Qualified XXVIII | 7,563.229 | 159.69 | 1,207,772 |
| Qualified XXX | 21,239.840 | 153.73 | 3,265,201 |
| Qualified XXXII | 443,035.560 | 8.81 | 3,903,143 |
| Qualified LIII | 843,248.911 | 8.46 | 7,133,886 |
| Qualified LIV | 234,803.754 | 8.40 | 1,972,352 |
| Qualified LVI | 384,838.284 | 8.50 | 3,271,125 |
| Qualified XXII | 674.496 | 17.25 | 11,635 |
| Qualified XXIX | 1,120.178 | 156.87 | 175,722 |
| Qualified XXXVI | 177,933.172 | 7.90 | 1,405,672 |
| Qualified XXXVIII | 479,365.067 | 6.12 | 2,933,714 |
| Qualified XLII | 411,959.162 | 6.12 | 2,521,190 |
| Qualified XLIII | 22,885.303 | 6.10 | 139,600 |
| Qualified LIX | 116,294.779 | 8.00 | 930,358 |
| | <u>59,428,467.781</u> | | <u>\$ 926,638,109</u> |
| ING VP Growth and Income Portfolio - Class S | | | |
| Contracts in accumulation period: | | | |
| Qualified XII (0.30) | 472.310 | \$ 6.70 | \$ 3,164 |
| Qualified XII (0.50) | 44,761.195 | 6.68 | 299,005 |
| Qualified XII (0.55) | 2.820 | 6.67 | 19 |
| Qualified XII (0.75) | 467.971 | 6.66 | 3,117 |
| | <u>45,704.296</u> | | <u>\$ 305,305</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-----------------------------------------------|----------------------|-------------------|-----------------------|
| ING GET U.S. Core Portfolio - Series 3 | | | |
| Contracts in accumulation period: | | | |
| Qualified VI | 447,995.661 | \$ 10.21 | \$ 4,574,036 |
| Qualified X (1.15) | 112,357.935 | 10.09 | 1,133,692 |
| Qualified X (1.25) | 194,580.277 | 10.19 | 1,982,773 |
| Qualified XII (0.80) | 125,115.054 | 10.43 | 1,304,950 |
| Qualified XII (0.85) | 25,933.086 | 10.40 | 269,704 |
| Qualified XII (0.90) | 1,630.066 | 10.38 | 16,920 |
| Qualified XII (0.95) | 23,560.784 | 10.35 | 243,854 |
| Qualified XII (1.00) | 273,781.122 | 10.46 | 2,863,751 |
| Qualified XII (1.10) | 2,367.846 | 10.27 | 24,318 |
| Qualified XII (1.15) | 31,640.383 | 10.24 | 323,998 |
| Qualified XVIII | 37,546.170 | 10.09 | 378,841 |
| Qualified XXVII | 403,981.060 | 10.34 | 4,177,164 |
| Qualified XXVIII | 17,953.616 | 10.45 | 187,615 |
| Qualified XXXII | 17,453.830 | 10.09 | 176,109 |
| | <u>1,715,896.890</u> | | <u>\$ 17,657,725</u> |
| ING GET U.S. Core Portfolio - Series 5 | | | |
| Contracts in accumulation period: | | | |
| Qualified X (1.15) | 3,209.785 | \$ 10.56 | \$ 33,895 |
| Qualified X (1.25) | 23,507.670 | 10.55 | 248,006 |
| Qualified XXXII | 18,836.866 | 10.55 | 198,729 |
| | <u>45,554.321</u> | | <u>\$ 480,630</u> |
| ING GET U.S. Core Portfolio - Series 6 | | | |
| Contracts in accumulation period: | | | |
| Qualified X (1.15) | 50,929.305 | \$ 10.33 | \$ 526,100 |
| Qualified X (1.25) | 117,993.440 | 10.33 | 1,218,872 |
| Qualified XVIII | 23,159.437 | 10.34 | 239,469 |
| Qualified XXXII | 24,271.161 | 10.33 | 250,721 |
| | <u>216,353.343</u> | | <u>\$ 2,235,162</u> |
| ING GET U.S. Core Portfolio - Series 7 | | | |
| Contracts in accumulation period: | | | |
| Qualified X (1.15) | 61,278.728 | \$ 10.33 | \$ 633,009 |
| Qualified X (1.25) | 34,001.771 | 10.33 | 351,238 |
| Qualified XVIII | 4,059.156 | 10.33 | 41,931 |
| Qualified XXVII | 68,360.250 | 10.53 | 719,833 |
| Qualified XXVIII | 24,755.968 | 10.63 | 263,156 |
| Qualified XXXII | 2,557.640 | 10.33 | 26,420 |
| | <u>195,013.513</u> | | <u>\$ 2,035,587</u> |
| ING GET U.S. Core Portfolio - Series 8 | | | |
| Contracts in accumulation period: | | | |
| Qualified X (1.15) | 12,998.913 | \$ 10.28 | \$ 133,629 |
| Qualified X (1.25) | 41,233.587 | 10.28 | 423,881 |
| Qualified XVIII | 20,254.224 | 10.29 | 208,416 |
| Qualified XXXII | 764.060 | 10.28 | 7,855 |
| | <u>75,250.784</u> | | <u>\$ 773,781</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|----------------------------------------------------------------------------|-------------------|-------------------|-----------------------|
| ING GET U.S. Core Portfolio - Series 9 | | | |
| Contracts in accumulation period: | | | |
| Qualified X (1.15) | 4,137.082 | \$ 10.27 | \$ 42,488 |
| Qualified X (1.25) | 9,492.573 | 10.27 | 97,489 |
| Qualified XXXII | 149.514 | 10.27 | 1,536 |
| | <u>13,779.169</u> | | <u>\$ 141,513</u> |
| ING GET U.S. Core Portfolio - Series 10 | | | |
| Contracts in accumulation period: | | | |
| Qualified X (1.15) | 1,050.441 | \$ 10.35 | \$ 10,872 |
| Qualified X (1.25) | 5,719.985 | 10.35 | 59,202 |
| | <u>6,770.426</u> | | <u>\$ 70,074</u> |
| ING GET U.S. Core Portfolio - Series 11 | | | |
| Contracts in accumulation period: | | | |
| Qualified X (1.15) | 2,152.326 | \$ 10.52 | \$ 22,642 |
| Qualified X (1.25) | 857.630 | 10.52 | 9,022 |
| | <u>3,009.956</u> | | <u>\$ 31,664</u> |
| ING BlackRock Global Science and Technology Portfolio - Class I | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP6 | 429.845 | \$ 8.08 | \$ 3,473 |
| ING MAP PLUS NP9 | 3,941.913 | 8.02 | 31,614 |
| ING MAP PLUS NP11 | 3,205.533 | 7.98 | 25,580 |
| ING MAP PLUS NP12 | 192.041 | 7.96 | 1,529 |
| ING MAP PLUS NP17 | 2,027.619 | 7.87 | 15,957 |
| ING MAP PLUS NP19 | 3,362.263 | 7.83 | 26,327 |
| ING MAP PLUS NP21 | 588.347 | 7.79 | 4,583 |
| ING MAP PLUS NP23 | 1,741.394 | 7.75 | 13,496 |
| ING MAP PLUS NP24 | 213.106 | 7.73 | 1,647 |
| ING MAP PLUS NP25 | 531.908 | 7.71 | 4,101 |
| ING MAP PLUS NP26 | 3,867.832 | 7.69 | 29,744 |
| ING MAP PLUS NP29 | 35.818 | 7.64 | 274 |
| ING MAP PLUS NP30 | 2.803 | 7.62 | 21 |
| Qualified V | 2,141.217 | 2.90 | 6,210 |
| Qualified VI | 2,269,556.915 | 2.94 | 6,672,497 |
| Qualified VIII | 13.167 | 2.94 | 39 |
| Qualified X (1.15) | 84,404.064 | 2.97 | 250,680 |
| Qualified X (1.25) | 164,378.078 | 2.94 | 483,272 |
| Qualified XII (0.00) | 3,571.506 | 3.28 | 11,715 |
| Qualified XII (0.05) | 132,966.828 | 3.20 | 425,494 |
| Qualified XII (0.10) | 10.277 | 3.25 | 33 |
| Qualified XII (0.20) | 3,476.385 | 3.22 | 11,194 |
| Qualified XII (0.25) | 3,070.150 | 3.21 | 9,855 |
| Qualified XII (0.30) | 83,165.509 | 3.20 | 266,130 |
| Qualified XII (0.40) | 80,420.773 | 3.17 | 254,934 |
| Qualified XII (0.50) | 457,810.557 | 3.14 | 1,437,525 |
| Qualified XII (0.55) | 92,626.866 | 3.13 | 289,922 |
| Qualified XII (0.60) | 35,953.543 | 3.11 | 111,816 |
| Qualified XII (0.65) | 188,168.216 | 3.10 | 583,321 |
| Qualified XII (0.70) | 121,347.246 | 3.09 | 374,963 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|----------------------------------------------------------------------------------------|----------------------|-------------------|-----------------------|
| ING BlackRock Global Science and Technology Portfolio - Class I (continued) | | | |
| Qualified XII (0.75) | 228,908.606 | \$ 3.07 | \$ 702,749 |
| Qualified XII (0.80) | 444,632.644 | 3.06 | 1,360,576 |
| Qualified XII (0.85) | 295,268.367 | 3.05 | 900,569 |
| Qualified XII (0.90) | 16,226.739 | 3.03 | 49,167 |
| Qualified XII (0.95) | 273,112.457 | 3.02 | 824,800 |
| Qualified XII (1.00) | 875,160.674 | 3.01 | 2,634,234 |
| Qualified XII (1.05) | 41,757.602 | 2.99 | 124,855 |
| Qualified XII (1.10) | 62,764.282 | 2.98 | 187,038 |
| Qualified XII (1.15) | 42,019.781 | 2.97 | 124,799 |
| Qualified XII (1.20) | 13,471.875 | 2.95 | 39,742 |
| Qualified XII (1.25) | 89,357.741 | 2.94 | 262,712 |
| Qualified XII (1.30) | 2,452.976 | 2.93 | 7,187 |
| Qualified XII (1.35) | 169.651 | 2.92 | 495 |
| Qualified XII (1.40) | 13,349.990 | 2.90 | 38,715 |
| Qualified XII (1.45) | 2,083.682 | 2.89 | 6,022 |
| Qualified XII (1.50) | 4.410 | 2.88 | 13 |
| Qualified XV | 16,204.950 | 3.02 | 48,939 |
| Qualified XVI | 47,319.257 | 2.88 | 136,279 |
| Qualified XVII | 4,209.023 | 3.00 | 12,627 |
| Qualified XVIII | 5,979.213 | 3.01 | 17,997 |
| Qualified XXI | 178,797.990 | 3.06 | 547,122 |
| Qualified XXV | 34,580.768 | 3.10 | 107,200 |
| Qualified XXVI | 14,587.609 | 3.07 | 44,784 |
| Qualified XXVII | 998,012.303 | 2.94 | 2,934,156 |
| Qualified XXXII | 786.574 | 8.17 | 6,426 |
| Qualified XXXVI | 15,150.122 | 7.47 | 113,171 |
| Qualified XXXVIII | 15,735.535 | 5.87 | 92,368 |
| Qualified XLIII | 1,626.586 | 5.85 | 9,516 |
| Qualified LIII | 26,108.691 | 9.59 | 250,382 |
| Qualified LIV | 14,898.602 | 9.53 | 141,984 |
| Qualified LVI | 19,467.775 | 9.65 | 187,864 |
| Qualified LIX | 17,700.097 | 7.56 | 133,813 |
| | <u>7,555,128.291</u> | | <u>\$ 23,396,247</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-------------------------------------------------------------------------------|--------------------|-------------------|-----------------------|
| ING International Index Portfolio - Class I | | | |
| Contracts in accumulation period: | | | |
| Qualified VI | 20,028.889 | \$ 5.92 | \$ 118,571 |
| Qualified XII (0.30) | 778.734 | 5.95 | 4,633 |
| Qualified XII (0.40) | 920.230 | 5.95 | 5,475 |
| Qualified XII (0.60) | 886.646 | 5.94 | 5,267 |
| Qualified XII (0.70) | 378.956 | 5.94 | 2,251 |
| Qualified XII (0.75) | 2,270.067 | 5.94 | 13,484 |
| Qualified XII (0.80) | 21.248 | 5.93 | 126 |
| Qualified XII (0.85) | 760.140 | 5.93 | 4,508 |
| Qualified XII (0.90) | 1,527.587 | 5.93 | 9,059 |
| Qualified XII (0.95) | 564.339 | 5.93 | 3,347 |
| Qualified XII (1.00) | 4,697.174 | 5.93 | 27,854 |
| Qualified XII (1.05) | 806.532 | 5.92 | 4,775 |
| Qualified XII (1.10) | 5.787 | 5.92 | 34 |
| Qualified XII (1.15) | 3,344.682 | 5.92 | 19,801 |
| Qualified XII (1.25) | 180.098 | 5.92 | 1,066 |
| Qualified XLIII | 40.595 | 5.95 | 242 |
| Qualified LIV | 1.180 | 5.93 | 7 |
| | <u>37,212.884</u> | | <u>\$ 220,500</u> |
| ING Lehman Brothers U.S. Aggregate Bond Index® Portfolio - Class I | | | |
| Contracts in accumulation period: | | | |
| Qualified VI | 81,100.776 | \$ 10.19 | \$ 826,417 |
| Qualified XII (0.00) | 740.074 | 10.27 | 7,601 |
| Qualified XII (0.30) | 1,543.101 | 10.25 | 15,817 |
| Qualified XII (0.40) | 1,777.691 | 10.24 | 18,204 |
| Qualified XII (0.55) | 2,255.684 | 10.23 | 23,076 |
| Qualified XII (0.60) | 303.029 | 10.23 | 3,100 |
| Qualified XII (0.65) | 5.909 | 10.23 | 60 |
| Qualified XII (0.70) | 8.863 | 10.22 | 91 |
| Qualified XII (0.75) | 17.115 | 10.22 | 175 |
| Qualified XII (0.80) | 240.281 | 10.22 | 2,456 |
| Qualified XII (0.85) | 1,176.674 | 10.21 | 12,014 |
| Qualified XII (0.90) | 593.678 | 10.21 | 6,061 |
| Qualified XII (0.95) | 1,848.444 | 10.21 | 18,873 |
| Qualified XII (1.00) | 50,548.979 | 10.20 | 515,600 |
| Qualified XII (1.05) | 537.170 | 10.20 | 5,479 |
| Qualified XII (1.10) | 191.608 | 10.20 | 1,954 |
| Qualified XII (1.15) | 4,568.014 | 10.19 | 46,548 |
| Qualified XII (1.20) | 16.762 | 10.19 | 171 |
| Qualified XII (1.25) | 2,233.004 | 10.19 | 22,754 |
| Qualified XII (1.40) | 1,878.978 | 10.18 | 19,128 |
| Qualified XVI | 768.080 | 10.17 | 7,811 |
| Qualified XXVI | 2.529 | 10.21 | 26 |
| Qualified XXXVIII | 168.305 | 10.27 | 1,728 |
| Qualified XLIII | 7.080 | 10.24 | 73 |
| Qualified LIII | 320.177 | 10.24 | 3,279 |
| Qualified LIV | 19.748 | 10.22 | 202 |
| Qualified LVI | 28.450 | 10.25 | 292 |
| | <u>152,900.203</u> | | <u>\$ 1,558,990</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-------------------------------------------------------------------|----------------------|-------------------|-----------------------|
| ING Opportunistic Large Cap Growth Portfolio - Class I | | | |
| Currently payable annuity contracts: | 35,404.649 | \$3.76 to \$10.07 | \$ 196,697 |
| Contracts in accumulation period: | | | |
| Qualified VI | 1,202,513.400 | 10.07 | 12,109,310 |
| Qualified VIII | 412.707 | 10.06 | 4,152 |
| Qualified X (1.15) | 65,079.782 | 10.19 | 663,163 |
| Qualified X (1.25) | 127,650.039 | 10.07 | 1,285,436 |
| Qualified XII (0.05) | 8,104.933 | 11.05 | 89,560 |
| Qualified XII (0.10) | 137.452 | 7.25 | 997 |
| Qualified XII (0.20) | 3,023.414 | 7.17 | 21,678 |
| Qualified XII (0.25) | 2,486.164 | 7.14 | 17,751 |
| Qualified XII (0.30) | 48,180.814 | 7.10 | 342,084 |
| Qualified XII (0.35) | 6,238.793 | 7.06 | 44,046 |
| Qualified XII (0.40) | 105,725.433 | 11.03 | 1,166,152 |
| Qualified XII (0.45) | 77.793 | 6.99 | 544 |
| Qualified XII (0.50) | 43,036.293 | 7.51 | 323,203 |
| Qualified XII (0.55) | 18,230.067 | 6.91 | 125,970 |
| Qualified XII (0.60) | 46,516.555 | 6.88 | 320,034 |
| Qualified XII (0.65) | 24,930.972 | 6.84 | 170,528 |
| Qualified XII (0.70) | 62,913.169 | 6.80 | 427,810 |
| Qualified XII (0.75) | 181,002.310 | 6.77 | 1,225,386 |
| Qualified XII (0.80) | 144,688.077 | 7.66 | 1,108,311 |
| Qualified XII (0.85) | 103,417.047 | 10.55 | 1,091,050 |
| Qualified XII (0.90) | 14,815.195 | 7.38 | 109,336 |
| Qualified XII (0.95) | 130,484.315 | 10.43 | 1,360,951 |
| Qualified XII (1.00) | 390,074.811 | 10.37 | 4,045,076 |
| Qualified XII (1.05) | 29,624.468 | 10.31 | 305,428 |
| Qualified XII (1.10) | 30,297.916 | 10.25 | 310,554 |
| Qualified XII (1.15) | 22,244.809 | 10.19 | 226,675 |
| Qualified XII (1.20) | 5,197.247 | 10.13 | 52,648 |
| Qualified XII (1.25) | 31,028.359 | 10.07 | 312,456 |
| Qualified XII (1.30) | 1,410.772 | 10.01 | 14,122 |
| Qualified XII (1.35) | 702.745 | 9.95 | 6,992 |
| Qualified XII (1.40) | 8,489.797 | 9.90 | 84,049 |
| Qualified XII (1.45) | 2,277.608 | 9.84 | 22,412 |
| Qualified XII (1.50) | 531.249 | 9.78 | 5,196 |
| Qualified XV | 7,586.982 | 10.43 | 79,132 |
| Qualified XVI | 36,802.879 | 9.78 | 359,932 |
| Qualified XVII | 3,171.777 | 10.07 | 31,940 |
| Qualified XVIII | 21,476.942 | 10.49 | 225,293 |
| Qualified XXV | 10,484.162 | 10.63 | 111,447 |
| Qualified XXVI | 3,001.388 | 10.49 | 31,485 |
| Qualified XXVII | 253,011.521 | 3.82 | 966,504 |
| Qualified XXXII | 4,827.810 | 7.70 | 37,174 |
| Qualified XXXVI | 19,319.789 | 6.83 | 131,954 |
| Qualified XXXVIII | 10,971.234 | 5.60 | 61,439 |
| Qualified XLIII | 3,192.217 | 5.58 | 17,813 |
| Qualified LIII | 38,332.960 | 7.79 | 298,614 |
| Qualified LIV | 19,562.058 | 7.74 | 151,410 |
| Qualified LVI | 26,184.857 | 7.83 | 205,027 |
| Qualified LIX | 16,690.773 | 6.92 | 115,500 |
| | <u>3,371,566.503</u> | | <u>\$ 30,414,421</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--------------------------------------------------------------|--------------|-------------------|-----------------------|
| ING Opportunistic Large Cap Value Portfolio - Class I | | | |
| Currently payable annuity contracts: | 5,189.257 | \$ 8.98 | \$ 46,600 |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP18 | 189.398 | 8.50 | 1,610 |
| ING MAP PLUS NP35 | 35.482 | 8.15 | 289 |
| Qualified V | 129.241 | 13.84 | 1,789 |
| Qualified VI | 932,520.816 | 14.10 | 13,148,544 |
| Qualified VIII | 508.698 | 14.09 | 7,168 |
| Qualified X (1.15) | 45,023.256 | 14.26 | 642,032 |
| Qualified X (1.25) | 65,381.709 | 14.10 | 921,882 |
| Qualified XII (0.00) | 10,493.114 | 10.63 | 111,542 |
| Qualified XII (0.05) | 25,773.705 | 15.47 | 398,719 |
| Qualified XII (0.20) | 11,238.965 | 10.41 | 116,998 |
| Qualified XII (0.25) | 1,639.495 | 10.35 | 16,969 |
| Qualified XII (0.30) | 180,834.174 | 10.30 | 1,862,592 |
| Qualified XII (0.35) | 4,168.733 | 10.25 | 42,730 |
| Qualified XII (0.40) | 17,463.203 | 15.44 | 269,632 |
| Qualified XII (0.45) | 124.341 | 10.14 | 1,261 |
| Qualified XII (0.50) | 69,715.212 | 10.78 | 751,530 |
| Qualified XII (0.55) | 45,196.188 | 10.03 | 453,318 |
| Qualified XII (0.60) | 36,039.011 | 9.98 | 359,669 |
| Qualified XII (0.65) | 9,884.404 | 9.92 | 98,053 |
| Qualified XII (0.70) | 65,184.886 | 9.87 | 643,375 |
| Qualified XII (0.75) | 171,347.668 | 9.82 | 1,682,634 |
| Qualified XII (0.80) | 222,861.839 | 10.76 | 2,397,993 |
| Qualified XII (0.85) | 101,345.376 | 14.78 | 1,497,885 |
| Qualified XII (0.90) | 26,799.029 | 10.44 | 279,782 |
| Qualified XII (0.95) | 142,466.411 | 14.60 | 2,080,010 |
| Qualified XII (1.00) | 351,468.817 | 14.52 | 5,103,327 |
| Qualified XII (1.05) | 31,051.204 | 14.43 | 448,069 |
| Qualified XII (1.10) | 35,734.815 | 14.35 | 512,795 |
| Qualified XII (1.15) | 30,844.612 | 14.26 | 439,844 |
| Qualified XII (1.20) | 6,106.324 | 14.18 | 86,588 |
| Qualified XII (1.25) | 28,505.290 | 14.10 | 401,925 |
| Qualified XII (1.30) | 2,770.422 | 14.02 | 38,841 |
| Qualified XII (1.35) | 83.331 | 13.93 | 1,161 |
| Qualified XII (1.40) | 7,628.458 | 13.85 | 105,654 |
| Qualified XII (1.45) | 1,695.346 | 13.77 | 23,345 |
| Qualified XII (1.50) | 1,295.965 | 13.69 | 17,742 |
| Qualified XV | 1,425.651 | 14.60 | 20,815 |
| Qualified XVI | 19,480.589 | 13.69 | 266,689 |
| Qualified XVII | 807.008 | 14.10 | 11,379 |
| Qualified XVIII | 730.964 | 14.68 | 10,731 |
| Qualified XXV | 13,015.231 | 14.87 | 193,536 |
| Qualified XXVI | 2,509.643 | 14.69 | 36,867 |
| Qualified XXVII | 459,720.602 | 10.85 | 4,987,969 |
| Qualified XXVIII | 294,745.725 | 10.82 | 3,189,149 |
| Qualified XXXII | 4,574.587 | 8.87 | 40,577 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| <u>Division/Contract</u> | <u>Units</u> | | <u>Unit Value</u> | <u>Extended Value</u> |
|--------------------------------------------------------------|----------------------|----|-------------------|-----------------------|
| ING Opportunistic Large Cap Value Portfolio - Class I | | | | |
| (continued) | | | | |
| Qualified XXXVI | 11,181.720 | \$ | 7.81 | \$ 87,329 |
| Qualified XXXVIII | 8,712.522 | | 6.26 | 54,540 |
| Qualified XLIII | 2,927.011 | | 6.24 | 18,265 |
| Qualified LIII | 11,203.377 | | 8.52 | 95,453 |
| Qualified LIV | 8,039.216 | | 8.46 | 68,012 |
| Qualified LVI | 26,859.790 | | 8.56 | 229,920 |
| Qualified LIX | 136.350 | | 7.91 | 1,079 |
| | <u>3,554,808.181</u> | | | <u>\$ 44,326,207</u> |
| ING Russell™ Large Cap Index Portfolio - Class I | | | | |
| Contracts in accumulation period: | | | | |
| ING Custom Choice 62 | 2,744.560 | \$ | 6.63 | \$ 18,196 |
| Qualified VI | 87,065.611 | | 6.63 | 577,245 |
| Qualified XII (0.40) | 1,506.896 | | 6.66 | 10,036 |
| Qualified XII (0.50) | 1,423.239 | | 6.66 | 9,479 |
| Qualified XII (0.60) | 2,280.492 | | 6.65 | 15,165 |
| Qualified XII (0.70) | 175.185 | | 6.65 | 1,165 |
| Qualified XII (0.75) | 5,300.714 | | 6.65 | 35,250 |
| Qualified XII (0.80) | 22.033 | | 6.64 | 146 |
| Qualified XII (0.85) | 3,063.898 | | 6.64 | 20,344 |
| Qualified XII (0.90) | 3,219.005 | | 6.64 | 21,374 |
| Qualified XII (0.95) | 2,112.068 | | 6.64 | 14,024 |
| Qualified XII (1.00) | 6,920.750 | | 6.64 | 45,954 |
| Qualified XII (1.10) | 346.790 | | 6.63 | 2,299 |
| Qualified XII (1.15) | 1,374.845 | | 6.63 | 9,115 |
| Qualified XII (1.20) | 22.718 | | 6.63 | 151 |
| Qualified XII (1.25) | 34.466 | | 6.63 | 229 |
| Qualified XII (1.40) | 238.275 | | 6.62 | 1,577 |
| Qualified XII (1.45) | 1,895.261 | | 6.62 | 12,547 |
| Qualified XXI | 275,243.864 | | 6.64 | 1,827,619 |
| Qualified XXV | 1,086.877 | | 6.65 | 7,228 |
| Qualified XXXVIII | 3,911.436 | | 6.68 | 26,128 |
| Qualified LIV | 1,013.351 | | 6.64 | 6,729 |
| Qualified LVI | 1,991.384 | | 6.67 | 13,283 |
| | <u>402,993.718</u> | | | <u>\$ 2,675,283</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---------------------------------------------------------|--------------------|-------------------|-----------------------|
| ING Russell™ Mid Cap Index Portfolio - Class I | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 354.679 | \$ 5.91 | \$ 2,096 |
| Qualified VI | 35,364.000 | 5.91 | 209,001 |
| Qualified XII (0.00) | 126.015 | 5.96 | 751 |
| Qualified XII (0.40) | 378.948 | 5.95 | 2,255 |
| Qualified XII (0.50) | 554.067 | 5.94 | 3,291 |
| Qualified XII (0.55) | 302.259 | 5.94 | 1,795 |
| Qualified XII (0.60) | 526.024 | 5.94 | 3,125 |
| Qualified XII (0.70) | 36.820 | 5.94 | 219 |
| Qualified XII (0.75) | 2,500.939 | 5.93 | 14,831 |
| Qualified XII (0.80) | 9,712.204 | 5.93 | 57,593 |
| Qualified XII (0.85) | 8,430.219 | 5.93 | 49,991 |
| Qualified XII (0.95) | 8,927.879 | 5.93 | 52,942 |
| Qualified XII (1.00) | 6,947.449 | 5.92 | 41,129 |
| Qualified XII (1.05) | 422.868 | 5.92 | 2,503 |
| Qualified XII (1.10) | 227.372 | 5.92 | 1,346 |
| Qualified XII (1.15) | 959.394 | 5.92 | 5,680 |
| Qualified XII (1.25) | 116.181 | 5.91 | 687 |
| Qualified XXI | 147,022.487 | 5.93 | 871,843 |
| Qualified LIII | 1,331.182 | 5.95 | 7,921 |
| | <u>224,240.986</u> | | <u>\$ 1,328,999</u> |
| ING Russell™ Small Cap Index Portfolio - Class I | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 294.224 | \$ 6.95 | \$ 2,045 |
| ING MAP PLUS NP17 | 1,014.507 | 6.96 | 7,061 |
| Qualified VI | 42,015.419 | 6.95 | 292,007 |
| Qualified XII (0.40) | 504.710 | 6.99 | 3,528 |
| Qualified XII (0.50) | 787.036 | 6.98 | 5,494 |
| Qualified XII (0.55) | 1,356.513 | 6.98 | 9,468 |
| Qualified XII (0.60) | 1,145.516 | 6.98 | 7,996 |
| Qualified XII (0.65) | 1,494.011 | 6.98 | 10,428 |
| Qualified XII (0.70) | 234.075 | 6.97 | 1,632 |
| Qualified XII (0.75) | 3,258.222 | 6.97 | 22,710 |
| Qualified XII (0.80) | 8,670.638 | 6.97 | 60,434 |
| Qualified XII (0.85) | 4,717.681 | 6.97 | 32,882 |
| Qualified XII (0.95) | 7,367.963 | 6.96 | 51,281 |
| Qualified XII (1.00) | 12,286.897 | 6.96 | 85,517 |
| Qualified XII (1.10) | 628.664 | 6.96 | 4,376 |
| Qualified XII (1.15) | 1,943.591 | 6.95 | 13,508 |
| Qualified XII (1.20) | 180.639 | 6.95 | 1,255 |
| Qualified XII (1.25) | 292.304 | 6.95 | 2,032 |
| Qualified XII (1.40) | 217.460 | 6.94 | 1,509 |
| Qualified XXV | 79.033 | 6.97 | 551 |
| Qualified LIII | 2,017.173 | 6.98 | 14,080 |
| Qualified LVI | 687.170 | 6.99 | 4,803 |
| | <u>91,193.446</u> | | <u>\$ 634,597</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-------------------------------------------------------|---------------|-------------------|-----------------------|
| ING VP Index Plus LargeCap Portfolio - Class I | | | |
| Currently payable annuity contracts: | 326,606.859 | \$5.99 to \$14.04 | \$ 2,895,625 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 11,013.179 | 8.45 | 93,061 |
| ING MAP PLUS NP1 | 5,298.323 | 8.48 | 44,930 |
| ING MAP PLUS NP3 | 512.677 | 8.44 | 4,327 |
| ING MAP PLUS NP4 | 1,932.414 | 8.42 | 16,271 |
| ING MAP PLUS NP6 | 9,779.124 | 8.38 | 81,949 |
| ING MAP PLUS NP8 | 6,130.535 | 8.34 | 51,129 |
| ING MAP PLUS NP9 | 31,572.531 | 8.32 | 262,683 |
| ING MAP PLUS NP10 | 8,630.037 | 8.30 | 71,629 |
| ING MAP PLUS NP11 | 17,294.580 | 8.28 | 143,199 |
| ING MAP PLUS NP13 | 6,088.519 | 8.24 | 50,169 |
| ING MAP PLUS NP14 | 18,231.472 | 8.22 | 149,863 |
| ING MAP PLUS NP15 | 8,952.311 | 8.20 | 73,409 |
| ING MAP PLUS NP16 | 41,516.315 | 8.18 | 339,603 |
| ING MAP PLUS NP17 | 7,293.779 | 8.16 | 59,517 |
| ING MAP PLUS NP18 | 2,568.918 | 8.14 | 20,911 |
| ING MAP PLUS NP20 | 28,237.912 | 8.10 | 228,727 |
| ING MAP PLUS NP21 | 21,105.361 | 8.08 | 170,531 |
| ING MAP PLUS NP22 | 2,868.947 | 8.06 | 23,124 |
| ING MAP PLUS NP23 | 4,395.363 | 8.04 | 35,339 |
| ING MAP PLUS NP24 | 842.505 | 8.02 | 6,757 |
| ING MAP PLUS NP25 | 1,596.580 | 8.00 | 12,773 |
| ING MAP PLUS NP26 | 3,174.249 | 7.98 | 25,331 |
| ING MAP PLUS NP27 | 286.930 | 7.96 | 2,284 |
| ING MAP PLUS NP28 | 2,166.817 | 7.94 | 17,205 |
| ING MAP PLUS NP29 | 10.413 | 7.92 | 82 |
| ING MAP PLUS NP30 | 411.100 | 7.90 | 3,248 |
| Qualified V | 77.518 | 13.77 | 1,067 |
| Qualified VI | 6,093,123.355 | 14.04 | 85,547,452 |
| Qualified VIII | 3,440.319 | 14.03 | 48,268 |
| Qualified X (1.15) | 222,560.177 | 14.22 | 3,164,806 |
| Qualified X (1.25) | 464,533.758 | 14.04 | 6,522,054 |
| Qualified XII (0.00) | 64,139.516 | 9.61 | 616,381 |
| Qualified XII (0.05) | 179,311.911 | 15.43 | 2,766,783 |
| Qualified XII (0.10) | 274.579 | 9.51 | 2,611 |
| Qualified XII (0.20) | 70,527.655 | 9.41 | 663,665 |
| Qualified XII (0.25) | 16,231.819 | 9.36 | 151,930 |
| Qualified XII (0.30) | 188,676.054 | 9.31 | 1,756,574 |
| Qualified XII (0.35) | 25,116.689 | 9.26 | 232,581 |
| Qualified XII (0.40) | 103,896.523 | 15.41 | 1,601,045 |
| Qualified XII (0.45) | 720.641 | 9.16 | 6,601 |
| Qualified XII (0.50) | 594,638.728 | 9.69 | 5,762,049 |
| Qualified XII (0.55) | 143,761.260 | 9.07 | 1,303,915 |
| Qualified XII (0.60) | 164,902.210 | 9.02 | 1,487,418 |
| Qualified XII (0.65) | 362,378.071 | 8.97 | 3,250,531 |
| Qualified XII (0.70) | 427,312.017 | 8.92 | 3,811,623 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-------------------------------------------------------|-----------------------|-------------------|-----------------------|
| ING VP Index Plus LargeCap Portfolio - Class I | | | |
| (continued) | | | |
| Qualified XII (0.75) | 842,036.066 | \$ 8.88 | \$ 7,477,280 |
| Qualified XII (0.80) | 1,047,075.400 | 9.85 | 10,313,693 |
| Qualified XII (0.85) | 595,013.786 | 14.75 | 8,776,453 |
| Qualified XII (0.90) | 116,681.471 | 9.46 | 1,103,807 |
| Qualified XII (0.95) | 620,993.958 | 14.57 | 9,047,882 |
| Qualified XII (1.00) | 2,687,577.414 | 14.48 | 38,916,121 |
| Qualified XII (1.05) | 79,402.874 | 14.39 | 1,142,607 |
| Qualified XII (1.10) | 153,608.856 | 14.31 | 2,198,143 |
| Qualified XII (1.15) | 205,125.554 | 14.22 | 2,916,885 |
| Qualified XII (1.20) | 36,042.880 | 14.13 | 509,286 |
| Qualified XII (1.25) | 147,668.986 | 14.04 | 2,073,273 |
| Qualified XII (1.30) | 6,248.665 | 13.96 | 87,231 |
| Qualified XII (1.35) | 1,572.702 | 13.87 | 21,813 |
| Qualified XII (1.40) | 19,455.401 | 13.79 | 268,290 |
| Qualified XII (1.45) | 4,527.586 | 13.70 | 62,028 |
| Qualified XII (1.50) | 3,312.896 | 13.62 | 45,122 |
| Qualified XV | 30,019.984 | 14.56 | 437,091 |
| Qualified XVI | 116,316.348 | 13.64 | 1,586,555 |
| Qualified XVII | 21,307.584 | 14.21 | 302,781 |
| Qualified XVIII | 38,346.536 | 14.62 | 560,626 |
| Qualified XXV | 25,449.857 | 14.82 | 377,167 |
| Qualified XXVI | 4,720.587 | 14.63 | 69,062 |
| Qualified XXVII | 1,573,666.563 | 14.34 | 22,566,379 |
| Qualified XXVIII | 459,790.200 | 14.30 | 6,575,000 |
| Qualified XXXII | 27,580.554 | 8.59 | 236,917 |
| Qualified XXXIII (0.65) | 5,586.797 | 8.28 | 46,259 |
| Qualified XXXVI | 79,688.743 | 8.34 | 664,604 |
| Qualified XXXVIII | 209,655.279 | 6.20 | 1,299,863 |
| Qualified XLIII | 6,908.481 | 6.18 | 42,694 |
| Qualified LIII | 212,870.457 | 8.25 | 1,756,181 |
| Qualified LIV | 122,044.104 | 8.19 | 999,541 |
| Qualified LVI | 137,124.273 | 8.29 | 1,136,760 |
| Qualified LIX | 31,938.297 | 8.45 | 269,879 |
| | <u>19,363,499.689</u> | | <u>\$ 247,468,303</u> |
| ING VP Index Plus LargeCap Portfolio - Class S | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 42,854.991 | \$ 7.58 | \$ 324,841 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-----------------------------------------------------|---------------|-------------------|-----------------------|
| ING VP Index Plus MidCap Portfolio - Class I | | | |
| Currently payable annuity contracts: | 103,091.754 | \$ 8.96 | \$ 923,702 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 7,353.609 | 8.92 | 65,594 |
| ING MAP PLUS NP1 | 9,742.393 | 8.96 | 87,292 |
| ING MAP PLUS NP6 | 346.355 | 8.85 | 3,065 |
| ING MAP PLUS NP8 | 20,028.737 | 8.81 | 176,453 |
| ING MAP PLUS NP9 | 11,676.354 | 8.79 | 102,635 |
| ING MAP PLUS NP10 | 3,185.033 | 8.77 | 27,933 |
| ING MAP PLUS NP11 | 7,728.874 | 8.75 | 67,628 |
| ING MAP PLUS NP12 | 8,060.660 | 8.73 | 70,370 |
| ING MAP PLUS NP13 | 1,583.425 | 8.70 | 13,776 |
| ING MAP PLUS NP14 | 3,950.873 | 8.68 | 34,294 |
| ING MAP PLUS NP15 | 13,959.282 | 8.66 | 120,887 |
| ING MAP PLUS NP16 | 10,436.372 | 8.64 | 90,170 |
| ING MAP PLUS NP17 | 7,010.053 | 8.62 | 60,427 |
| ING MAP PLUS NP18 | 2,449.408 | 8.60 | 21,065 |
| ING MAP PLUS NP19 | 7,620.015 | 8.58 | 65,380 |
| ING MAP PLUS NP21 | 5,037.535 | 8.53 | 42,970 |
| ING MAP PLUS NP22 | 3,455.175 | 8.51 | 29,404 |
| ING MAP PLUS NP23 | 1,342.547 | 8.49 | 11,398 |
| ING MAP PLUS NP24 | 46.123 | 8.47 | 391 |
| ING MAP PLUS NP25 | 1,018.424 | 8.45 | 8,606 |
| ING MAP PLUS NP26 | 1,822.148 | 8.43 | 15,361 |
| ING MAP PLUS NP28 | 12,519.702 | 8.39 | 105,040 |
| ING MAP PLUS NP29 | 984.922 | 8.37 | 8,244 |
| ING MAP PLUS NP30 | 912.119 | 8.35 | 7,616 |
| ING MAP PLUS NP32 | 374.700 | 8.31 | 3,114 |
| ING MAP PLUS NP35 | 280.761 | 8.25 | 2,316 |
| Qualified V | 2,174.344 | 14.08 | 30,615 |
| Qualified VI | 3,310,498.542 | 14.32 | 47,406,339 |
| Qualified VIII | 571.947 | 14.31 | 8,185 |
| Qualified X (1.15) | 84,062.328 | 14.48 | 1,217,223 |
| Qualified X (1.25) | 282,100.714 | 14.32 | 4,039,682 |
| Qualified XII (0.00) | 22,053.336 | 16.74 | 369,173 |
| Qualified XII (0.05) | 244,804.882 | 15.66 | 3,833,644 |
| Qualified XII (0.10) | 24.465 | 16.57 | 405 |
| Qualified XII (0.20) | 24,795.133 | 16.39 | 406,392 |
| Qualified XII (0.25) | 5,004.811 | 16.30 | 81,578 |
| Qualified XII (0.30) | 247,422.073 | 16.22 | 4,013,186 |
| Qualified XII (0.35) | 2,813.935 | 16.13 | 45,389 |
| Qualified XII (0.40) | 180,885.684 | 15.64 | 2,829,052 |
| Qualified XII (0.50) | 452,409.936 | 15.52 | 7,021,402 |
| Qualified XII (0.55) | 88,402.298 | 15.79 | 1,395,872 |
| Qualified XII (0.60) | 60,818.190 | 15.71 | 955,454 |
| Qualified XII (0.65) | 317,641.260 | 15.63 | 4,964,733 |
| Qualified XII (0.70) | 158,219.082 | 15.54 | 2,458,725 |
| Qualified XII (0.75) | 406,072.514 | 15.46 | 6,277,881 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-----------------------------------------------------|-----------------------|-------------------|-----------------------|
| ING VP Index Plus MidCap Portfolio - Class I | | | |
| (continued) | | | |
| Qualified XII (0.80) | 618,674.766 | \$ 15.03 | \$ 9,298,682 |
| Qualified XII (0.85) | 424,192.433 | 14.95 | 6,341,677 |
| Qualified XII (0.90) | 57,437.950 | 14.87 | 854,102 |
| Qualified XII (0.95) | 1,877,948.283 | 14.79 | 27,774,855 |
| Qualified XII (1.00) | 1,636,314.768 | 14.71 | 24,070,190 |
| Qualified XII (1.05) | 62,920.448 | 14.63 | 920,526 |
| Qualified XII (1.10) | 110,413.092 | 14.55 | 1,606,510 |
| Qualified XII (1.15) | 152,651.160 | 14.48 | 2,210,389 |
| Qualified XII (1.20) | 29,269.557 | 14.40 | 421,482 |
| Qualified XII (1.25) | 151,967.212 | 14.32 | 2,176,170 |
| Qualified XII (1.30) | 2,638.970 | 14.25 | 37,605 |
| Qualified XII (1.35) | 735.455 | 14.17 | 10,421 |
| Qualified XII (1.40) | 17,659.931 | 14.09 | 248,828 |
| Qualified XII (1.45) | 7,286.429 | 14.02 | 102,156 |
| Qualified XII (1.50) | 2,902.126 | 13.94 | 40,456 |
| Qualified XIII | 425.264 | 14.79 | 6,290 |
| Qualified XV | 14,946.961 | 14.79 | 221,066 |
| Qualified XVI | 86,516.567 | 13.94 | 1,206,041 |
| Qualified XVII | 4,591.677 | 14.32 | 65,753 |
| Qualified XVIII | 13,483.098 | 14.32 | 193,078 |
| Qualified XXV | 30,819.612 | 15.11 | 465,684 |
| Qualified XXVI | 13,497.505 | 14.92 | 201,383 |
| Qualified XXVII | 1,759,942.581 | 15.22 | 26,786,326 |
| Qualified XXVIII | 884,019.976 | 15.18 | 13,419,423 |
| Qualified XXXII | 11,403.155 | 8.93 | 101,830 |
| Qualified XXXIII (0.65) | 8,978.087 | 10.63 | 95,437 |
| Qualified XXXVI | 32,771.472 | 10.72 | 351,310 |
| Qualified XXXVIII | 120,897.785 | 6.04 | 730,223 |
| Qualified XLIII | 2,963.876 | 6.03 | 17,872 |
| Qualified LIII | 74,027.347 | 8.29 | 613,687 |
| Qualified LIV | 144,515.537 | 8.23 | 1,189,363 |
| Qualified LVI | 136,200.145 | 8.33 | 1,134,547 |
| Qualified LIX | 7,251.183 | 10.85 | 78,675 |
| | <u>14,637,057.235</u> | | <u>\$ 212,512,098</u> |
| ING VP Index Plus MidCap Portfolio - Class S | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 35,711.374 | \$ 7.29 | \$ 260,336 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-------------------------------------------------------|---------------|-------------------|-----------------------|
| ING VP Index Plus SmallCap Portfolio - Class I | | | |
| Currently payable annuity contracts: | 67,772.319 | \$ 9.01 | \$ 610,629 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 5,465.088 | 8.86 | 48,421 |
| ING MAP PLUS NP1 | 23,642.264 | 8.89 | 210,180 |
| ING MAP PLUS NP6 | 8,652.541 | 8.78 | 75,969 |
| ING MAP PLUS NP8 | 3,924.944 | 8.74 | 34,304 |
| ING MAP PLUS NP9 | 2,588.790 | 8.72 | 22,574 |
| ING MAP PLUS NP10 | 4,820.976 | 8.70 | 41,942 |
| ING MAP PLUS NP11 | 26,992.663 | 8.67 | 234,026 |
| ING MAP PLUS NP12 | 5,302.956 | 8.65 | 45,871 |
| ING MAP PLUS NP13 | 999.767 | 8.63 | 8,628 |
| ING MAP PLUS NP14 | 2,601.143 | 8.61 | 22,396 |
| ING MAP PLUS NP15 | 1,014.220 | 8.59 | 8,712 |
| ING MAP PLUS NP16 | 1,834.196 | 8.57 | 15,719 |
| ING MAP PLUS NP17 | 8,753.092 | 8.55 | 74,839 |
| ING MAP PLUS NP18 | 700.000 | 8.53 | 5,971 |
| ING MAP PLUS NP19 | 3,426.848 | 8.51 | 29,162 |
| ING MAP PLUS NP20 | 65.729 | 8.48 | 557 |
| ING MAP PLUS NP21 | 1,074.716 | 8.46 | 9,092 |
| ING MAP PLUS NP22 | 1,986.494 | 8.44 | 16,766 |
| ING MAP PLUS NP23 | 783.348 | 8.42 | 6,596 |
| ING MAP PLUS NP24 | 5.618 | 8.40 | 47 |
| ING MAP PLUS NP26 | 2,039.876 | 8.36 | 17,053 |
| ING MAP PLUS NP28 | 4,440.565 | 8.32 | 36,946 |
| ING MAP PLUS NP29 | 145.995 | 8.30 | 1,212 |
| ING MAP PLUS NP30 | 1,031.896 | 8.28 | 8,544 |
| ING MAP PLUS NP32 | 328.337 | 8.24 | 2,706 |
| ING MAP PLUS NP35 | 481.301 | 8.18 | 3,937 |
| Qualified V | 1,558.306 | 10.49 | 16,347 |
| Qualified VI | 1,789,693.058 | 10.67 | 19,096,025 |
| Qualified VIII | 596.296 | 10.66 | 6,357 |
| Qualified X (1.15) | 44,586.301 | 10.78 | 480,640 |
| Qualified X (1.25) | 160,870.060 | 10.67 | 1,716,484 |
| Qualified XII (0.00) | 3,268.593 | 12.68 | 41,446 |
| Qualified XII (0.05) | 152,451.371 | 11.67 | 1,779,108 |
| Qualified XII (0.10) | 63.573 | 12.54 | 797 |
| Qualified XII (0.20) | 21,588.647 | 12.41 | 267,915 |
| Qualified XII (0.25) | 2,428.183 | 12.34 | 29,964 |
| Qualified XII (0.30) | 145,900.555 | 12.28 | 1,791,659 |
| Qualified XII (0.35) | 1,643.933 | 12.21 | 20,072 |
| Qualified XII (0.40) | 102,557.786 | 11.65 | 1,194,798 |
| Qualified XII (0.50) | 399,728.550 | 11.56 | 4,620,862 |
| Qualified XII (0.55) | 43,827.760 | 11.96 | 524,180 |
| Qualified XII (0.60) | 38,949.252 | 11.89 | 463,107 |
| Qualified XII (0.65) | 109,681.239 | 11.83 | 1,297,529 |
| Qualified XII (0.70) | 71,338.050 | 11.77 | 839,649 |
| Qualified XII (0.75) | 186,984.228 | 11.71 | 2,189,585 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-------------------------------------------------------|----------------------|-------------------|-----------------------|
| ING VP Index Plus SmallCap Portfolio - Class I | | | |
| (continued) | | | |
| Qualified XII (0.80) | 481,806.270 | \$ 11.19 | \$ 5,391,412 |
| Qualified XII (0.85) | 209,995.378 | 11.13 | 2,337,249 |
| Qualified XII (0.90) | 56,987.683 | 11.07 | 630,854 |
| Qualified XII (0.95) | 301,782.787 | 11.02 | 3,325,646 |
| Qualified XII (1.00) | 985,346.014 | 10.96 | 10,799,392 |
| Qualified XII (1.05) | 29,021.730 | 10.90 | 316,337 |
| Qualified XII (1.10) | 67,034.363 | 10.84 | 726,652 |
| Qualified XII (1.15) | 92,831.331 | 10.78 | 1,000,722 |
| Qualified XII (1.20) | 13,077.953 | 10.72 | 140,196 |
| Qualified XII (1.25) | 94,434.206 | 10.67 | 1,007,613 |
| Qualified XII (1.30) | 1,357.841 | 10.61 | 14,407 |
| Qualified XII (1.35) | 62.804 | 10.55 | 663 |
| Qualified XII (1.40) | 10,787.890 | 10.50 | 113,273 |
| Qualified XII (1.45) | 1,918.559 | 10.44 | 20,030 |
| Qualified XII (1.50) | 612.117 | 10.39 | 6,360 |
| Qualified XV | 14,752.413 | 11.02 | 162,572 |
| Qualified XVI | 49,131.203 | 10.39 | 510,473 |
| Qualified XVII | 357.729 | 10.67 | 3,817 |
| Qualified XVIII | 11,940.054 | 10.67 | 127,400 |
| Qualified XXV | 5,401.956 | 11.25 | 60,772 |
| Qualified XXVI | 4,506.778 | 11.12 | 50,115 |
| Qualified XXVII | 1,120,219.629 | 11.31 | 12,669,684 |
| Qualified XXVIII | 565,946.473 | 11.28 | 6,383,876 |
| Qualified XXXII | 3,033.183 | 8.92 | 27,056 |
| Qualified XXXIII (0.65) | 8,917.630 | 10.87 | 96,935 |
| Qualified XXXVI | 15,284.688 | 10.96 | 167,520 |
| Qualified XXXVIII | 84,619.868 | 6.21 | 525,489 |
| Qualified XLIII | 3,148.869 | 6.19 | 19,492 |
| Qualified LIII | 44,872.826 | 8.05 | 361,226 |
| Qualified LIV | 27,912.632 | 8.00 | 223,301 |
| Qualified LVI | 64,720.421 | 8.10 | 524,235 |
| Qualified LIX | 5,166.841 | 11.10 | 57,352 |
| | <u>7,835,581.542</u> | | <u>\$ 85,771,444</u> |
| ING VP Index Plus SmallCap Portfolio - Class S | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 8,219.055 | \$ 7.05 | \$ 57,944 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-------------------------------------------------|---------------|-------------------|-----------------------|
| ING VP Small Company Portfolio - Class I | | | |
| Currently payable annuity contracts: | 83,717.941 | \$9.74 to \$19.83 | \$ 1,023,385 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 1,906.756 | 10.59 | 20,193 |
| ING MAP PLUS NP8 | 903.277 | 10.29 | 9,295 |
| ING MAP PLUS NP9 | 936.961 | 10.27 | 9,623 |
| ING MAP PLUS NP11 | 12.155 | 10.22 | 124 |
| ING MAP PLUS NP13 | 4.359 | 10.17 | 44 |
| ING MAP PLUS NP14 | 381.758 | 10.14 | 3,871 |
| ING MAP PLUS NP15 | 790.238 | 10.12 | 7,997 |
| ING MAP PLUS NP16 | 30.626 | 10.09 | 309 |
| ING MAP PLUS NP17 | 935.643 | 10.07 | 9,422 |
| ING MAP PLUS NP19 | 3,898.781 | 10.02 | 39,066 |
| ING MAP PLUS NP21 | 110.765 | 9.97 | 1,104 |
| ING MAP PLUS NP22 | 46.541 | 9.94 | 463 |
| ING MAP PLUS NP24 | 5.648 | 9.89 | 56 |
| ING MAP PLUS NP25 | 6,096.550 | 9.87 | 60,173 |
| ING MAP PLUS NP26 | 2,719.696 | 9.85 | 26,789 |
| ING MAP PLUS NP28 | 1,857.014 | 9.80 | 18,199 |
| ING MAP PLUS NP29 | 3,718.257 | 9.77 | 36,327 |
| ING MAP PLUS NP30 | 53.212 | 9.75 | 519 |
| Qualified V | 220.411 | 19.47 | 4,291 |
| Qualified VI | 1,285,065.057 | 19.83 | 25,482,840 |
| Qualified VIII | 14.422 | 19.82 | 286 |
| Qualified X (1.15) | 61,879.061 | 20.07 | 1,241,913 |
| Qualified X (1.25) | 127,454.702 | 19.83 | 2,527,427 |
| Qualified XII (0.00) | 8,605.496 | 15.17 | 130,545 |
| Qualified XII (0.05) | 44,610.956 | 21.76 | 970,734 |
| Qualified XII (0.10) | 7.106 | 15.01 | 107 |
| Qualified XII (0.20) | 12,630.233 | 14.85 | 187,559 |
| Qualified XII (0.25) | 4,166.538 | 14.77 | 61,540 |
| Qualified XII (0.30) | 138,577.494 | 14.69 | 2,035,703 |
| Qualified XII (0.35) | 3,757.729 | 14.62 | 54,938 |
| Qualified XII (0.40) | 48,123.017 | 21.72 | 1,045,232 |
| Qualified XII (0.45) | 454.283 | 14.46 | 6,569 |
| Qualified XII (0.50) | 136,964.482 | 14.60 | 1,999,681 |
| Qualified XII (0.55) | 63,505.046 | 14.31 | 908,757 |
| Qualified XII (0.60) | 86,085.618 | 14.23 | 1,224,998 |
| Qualified XII (0.65) | 57,445.468 | 14.16 | 813,428 |
| Qualified XII (0.70) | 103,890.557 | 14.08 | 1,462,779 |
| Qualified XII (0.75) | 256,519.601 | 14.01 | 3,593,840 |
| Qualified XII (0.80) | 528,456.709 | 14.86 | 7,852,867 |
| Qualified XII (0.85) | 179,453.987 | 20.79 | 3,730,848 |
| Qualified XII (0.90) | 19,452.339 | 14.33 | 278,752 |
| Qualified XII (0.95) | 159,679.729 | 20.54 | 3,279,822 |
| Qualified XII (1.00) | 590,550.076 | 20.42 | 12,059,033 |
| Qualified XII (1.05) | 30,423.792 | 20.31 | 617,907 |
| Qualified XII (1.10) | 38,814.466 | 20.19 | 783,664 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-------------------------------------------------------------|----------------------|-------------------|-----------------------|
| ING VP Small Company Portfolio - Class I (continued) | | | |
| Qualified XII (1.15) | 58,495.753 | \$ 20.07 | \$ 1,174,010 |
| Qualified XII (1.20) | 4,544.021 | 19.95 | 90,653 |
| Qualified XII (1.25) | 25,923.255 | 19.83 | 514,058 |
| Qualified XII (1.30) | 2,733.027 | 19.72 | 53,895 |
| Qualified XII (1.35) | 894.095 | 19.60 | 17,524 |
| Qualified XII (1.40) | 7,757.807 | 19.49 | 151,200 |
| Qualified XII (1.45) | 1,574.665 | 19.37 | 30,501 |
| Qualified XII (1.50) | 2,623.407 | 19.26 | 50,527 |
| Qualified XV | 9,075.119 | 20.54 | 186,403 |
| Qualified XVI | 40,304.759 | 19.26 | 776,270 |
| Qualified XVII | 3,985.191 | 19.83 | 79,026 |
| Qualified XVIII | 11,577.061 | 20.65 | 239,066 |
| Qualified XXV | 14,688.452 | 20.93 | 307,429 |
| Qualified XXVI | 2,847.701 | 20.67 | 58,862 |
| Qualified XXVII | 568,936.313 | 9.96 | 5,666,606 |
| Qualified XXVIII | 130,704.522 | 10.61 | 1,386,775 |
| Qualified XXXII | 4,001.074 | 10.31 | 41,251 |
| Qualified XXXVI | 21,546.620 | 11.47 | 247,140 |
| Qualified XXXVIII | 45,372.626 | 6.61 | 299,913 |
| Qualified XLIII | 870.428 | 6.59 | 5,736 |
| Qualified LIII | 32,064.130 | 10.02 | 321,283 |
| Qualified LIV | 47,318.988 | 9.96 | 471,297 |
| Qualified LVI | 36,841.511 | 10.08 | 371,362 |
| Qualified LIX | 8,400.850 | 11.61 | 97,534 |
| | <u>5,178,015.928</u> | | <u>\$ 86,261,340</u> |
| ING VP Small Company Portfolio - Class S | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 11,778.295 | \$ 8.52 | \$ 100,351 |
| ING VP International Value Portfolio - Class I | | | |
| Currently payable annuity contracts: | 168,754.607 | \$ 10.78 | \$ 1,819,175 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 1,308.135 | 10.41 | 13,618 |
| ING MAP PLUS NP3 | 113.809 | 10.64 | 1,211 |
| ING MAP PLUS NP8 | 868.748 | 10.51 | 9,131 |
| ING MAP PLUS NP10 | 75.918 | 10.46 | 794 |
| ING MAP PLUS NP11 | 7,405.623 | 10.43 | 77,241 |
| ING MAP PLUS NP12 | 587.256 | 10.41 | 6,113 |
| ING MAP PLUS NP16 | 14.458 | 10.31 | 149 |
| ING MAP PLUS NP18 | 247.292 | 10.26 | 2,537 |
| ING MAP PLUS NP19 | 5.503 | 10.23 | 56 |
| ING MAP PLUS NP20 | 4,071.974 | 10.21 | 41,575 |
| ING MAP PLUS NP21 | 989.848 | 10.18 | 10,077 |
| ING MAP PLUS NP22 | 604.934 | 10.16 | 6,146 |
| ING MAP PLUS NP26 | 767.509 | 10.06 | 7,721 |
| ING MAP PLUS NP27 | 328.115 | 10.03 | 3,291 |
| ING MAP PLUS NP30 | 467.627 | 9.96 | 4,658 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-----------------------------------------------------------------------|---------------|-------------------|-----------------------|
| ING VP International Value Portfolio - Class I (continued) | | | |
| ING MAP PLUS NP32 | 67.715 | \$ 9.91 | \$ 671 |
| ING MAP PLUS NP35 | 224.510 | 9.84 | 2,209 |
| Qualified V | 469.804 | 10.26 | 4,820 |
| Qualified VI | 965,543.709 | 10.38 | 10,022,344 |
| Qualified X (1.15) | 73,545.229 | 10.46 | 769,283 |
| Qualified X (1.25) | 201,857.432 | 10.38 | 2,095,280 |
| Qualified XII (0.00) | 3,538.939 | 11.39 | 40,309 |
| Qualified XII (0.10) | 14.905 | 11.31 | 169 |
| Qualified XII (0.20) | 101,460.236 | 11.23 | 1,139,398 |
| Qualified XII (0.25) | 1,601.041 | 11.18 | 17,900 |
| Qualified XII (0.30) | 108,668.895 | 11.14 | 1,210,571 |
| Qualified XII (0.40) | 151,769.408 | 11.06 | 1,678,570 |
| Qualified XII (0.50) | 296,268.285 | 10.98 | 3,253,026 |
| Qualified XII (0.55) | 45,851.819 | 10.94 | 501,619 |
| Qualified XII (0.60) | 30,523.462 | 10.90 | 332,706 |
| Qualified XII (0.65) | 37,828.958 | 10.86 | 410,822 |
| Qualified XII (0.70) | 47,593.444 | 10.82 | 514,961 |
| Qualified XII (0.75) | 79,304.651 | 10.78 | 854,904 |
| Qualified XII (0.80) | 202,554.272 | 10.74 | 2,175,433 |
| Qualified XII (0.85) | 79,090.817 | 10.70 | 846,272 |
| Qualified XII (0.90) | 14,503.620 | 10.66 | 154,609 |
| Qualified XII (0.95) | 3,508,367.983 | 10.62 | 37,258,868 |
| Qualified XII (1.00) | 587,996.110 | 10.58 | 6,220,999 |
| Qualified XII (1.05) | 5,841.887 | 10.54 | 61,573 |
| Qualified XII (1.10) | 16,271.151 | 10.50 | 170,847 |
| Qualified XII (1.15) | 100,465.516 | 10.46 | 1,050,869 |
| Qualified XII (1.20) | 7,373.873 | 10.42 | 76,836 |
| Qualified XII (1.25) | 40,503.402 | 10.38 | 420,425 |
| Qualified XII (1.30) | 3,622.070 | 10.34 | 37,452 |
| Qualified XII (1.35) | 225.469 | 10.30 | 2,322 |
| Qualified XII (1.40) | 4,443.083 | 10.27 | 45,630 |
| Qualified XII (1.45) | 913.832 | 10.23 | 9,349 |
| Qualified XII (1.50) | 1,362.908 | 10.19 | 13,888 |
| Qualified XIII | 652.672 | 10.62 | 6,931 |
| Qualified XV | 3,615.202 | 10.62 | 38,393 |
| Qualified XVI | 26,186.839 | 10.19 | 266,844 |
| Qualified XVII | 649.128 | 10.38 | 6,738 |
| Qualified XVIII | 13,531.307 | 10.38 | 140,455 |
| Qualified XXI | 42,886.000 | 10.74 | 460,596 |
| Qualified XXV | 2,605.234 | 10.88 | 28,345 |
| Qualified XXVI | 1,772.895 | 10.71 | 18,988 |
| Qualified XXVIII | 819,968.227 | 11.79 | 9,667,425 |
| Qualified XXXII | 2,033.034 | 10.64 | 21,631 |
| Qualified XXXIII (0.65) | 46,818.063 | 10.80 | 505,635 |
| Qualified XXXVIII | 16,933.063 | 5.69 | 96,349 |
| Qualified XLIII | 636.801 | 5.67 | 3,611 |
| Qualified LIII | 7,494.562 | 9.52 | 71,348 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| <u>Division/Contract</u> | <u>Units</u> | <u>Unit Value</u> | <u>Extended Value</u> |
|--------------------------------------------------------|----------------------|-------------------|-----------------------|
| ING VP International Value Portfolio - Class I | | | |
| (continued) | | | |
| Qualified LIV | 8,432.791 | \$ 9.46 | \$ 79,774 |
| Qualified LVI | 15,601.683 | 9.58 | 149,464 |
| Qualified LIX | 2,213.720 | 10.98 | 24,307 |
| | <u>7,918,311.012</u> | | <u>\$ 84,985,261</u> |
| ING VP International Value Portfolio - Class S | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 28,707.290 | \$ 8.65 | \$ 248,318 |
| ING VP MidCap Opportunities Portfolio - Class I | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 715.161 | \$ 10.14 | \$ 7,252 |
| Qualified VI | 336,536.225 | 9.12 | 3,069,210 |
| Qualified X (1.15) | 7,609.289 | 9.19 | 69,929 |
| Qualified X (1.25) | 38,226.163 | 9.12 | 348,623 |
| Qualified XII (0.00) | 879.180 | 10.02 | 8,809 |
| Qualified XII (0.30) | 39,348.648 | 9.79 | 385,223 |
| Qualified XII (0.40) | 14,661.918 | 9.72 | 142,514 |
| Qualified XII (0.50) | 5,469.481 | 9.65 | 52,780 |
| Qualified XII (0.55) | 8,422.973 | 9.61 | 80,945 |
| Qualified XII (0.60) | 5,274.716 | 9.58 | 50,532 |
| Qualified XII (0.65) | 22,955.410 | 9.54 | 218,995 |
| Qualified XII (0.70) | 8,901.244 | 9.51 | 84,651 |
| Qualified XII (0.75) | 75,660.905 | 9.47 | 716,509 |
| Qualified XII (0.80) | 60,532.788 | 9.44 | 571,430 |
| Qualified XII (0.85) | 36,423.360 | 9.40 | 342,380 |
| Qualified XII (0.90) | 10,458.191 | 9.37 | 97,993 |
| Qualified XII (0.95) | 62,519.404 | 9.33 | 583,306 |
| Qualified XII (1.00) | 121,056.645 | 9.30 | 1,125,827 |
| Qualified XII (1.05) | 1,265.427 | 9.26 | 11,718 |
| Qualified XII (1.10) | 13,434.459 | 9.23 | 124,000 |
| Qualified XII (1.15) | 6,486.814 | 9.19 | 59,614 |
| Qualified XII (1.20) | 2,661.709 | 9.16 | 24,381 |
| Qualified XII (1.25) | 9,681.339 | 9.12 | 88,294 |
| Qualified XII (1.30) | 2,002.562 | 9.09 | 18,203 |
| Qualified XII (1.35) | 35.313 | 9.06 | 320 |
| Qualified XII (1.40) | 828.341 | 9.02 | 7,472 |
| Qualified XII (1.45) | 224.176 | 8.99 | 2,015 |
| Qualified XII (1.50) | 75.773 | 8.96 | 679 |
| Qualified XV | 1,036.703 | 9.33 | 9,672 |
| Qualified XVI | 9,470.469 | 8.96 | 84,855 |
| Qualified XVIII | 5,536.217 | 9.12 | 50,490 |
| Qualified XXV | 2,527.768 | 9.56 | 24,165 |
| Qualified XXVI | 681.043 | 9.41 | 6,409 |
| Qualified XXXII | 127.998 | 10.01 | 1,281 |
| Qualified XXXVIII | 13,942.355 | 6.37 | 88,813 |
| Qualified XLIII | 109.480 | 6.36 | 696 |
| Qualified LIII | 5,757.785 | 9.76 | 56,196 |
| Qualified LIV | 103.975 | 9.70 | 1,009 |
| Qualified LVI | 1,265.848 | 9.82 | 12,431 |
| Qualified LIX | 1,705.940 | 10.69 | 18,237 |
| | <u>934,613.195</u> | | <u>\$ 8,647,858</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|----------------------------------------------------------|----------------------|-------------------|-----------------------|
| ING VP MidCap Opportunities Portfolio - Class S | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 12,412.067 | \$ 8.69 | \$ 107,861 |
| ING VP SmallCap Opportunities Portfolio - Class I | | | |
| Contracts in accumulation period: | | | |
| Qualified V | 67.869 | \$ 6.18 | \$ 419 |
| Qualified VI | 251,417.349 | 6.25 | 1,571,358 |
| Qualified VIII | 126.454 | 6.25 | 790 |
| Qualified X (1.15) | 24,725.030 | 6.30 | 155,768 |
| Qualified X (1.25) | 33,603.720 | 6.25 | 210,023 |
| Qualified XII (0.00) | 116.621 | 6.86 | 800 |
| Qualified XII (0.20) | 74.720 | 6.76 | 505 |
| Qualified XII (0.25) | 611.458 | 6.74 | 4,121 |
| Qualified XII (0.30) | 370,460.176 | 6.71 | 2,485,788 |
| Qualified XII (0.40) | 11,905.407 | 6.66 | 79,290 |
| Qualified XII (0.50) | 3,212.994 | 6.61 | 21,238 |
| Qualified XII (0.55) | 8,944.759 | 6.59 | 58,946 |
| Qualified XII (0.60) | 13,913.041 | 6.56 | 91,270 |
| Qualified XII (0.65) | 101,609.547 | 6.54 | 664,526 |
| Qualified XII (0.70) | 5,511.720 | 6.51 | 35,881 |
| Qualified XII (0.75) | 26,985.536 | 6.49 | 175,136 |
| Qualified XII (0.80) | 84,843.865 | 6.46 | 548,091 |
| Qualified XII (0.85) | 33,603.345 | 6.44 | 216,406 |
| Qualified XII (0.90) | 4,579.204 | 6.42 | 29,398 |
| Qualified XII (0.95) | 51,116.776 | 6.39 | 326,636 |
| Qualified XII (1.00) | 197,317.744 | 6.37 | 1,256,914 |
| Qualified XII (1.05) | 6,247.814 | 6.35 | 39,674 |
| Qualified XII (1.10) | 7,517.774 | 6.32 | 47,512 |
| Qualified XII (1.15) | 6,823.825 | 6.30 | 42,990 |
| Qualified XII (1.20) | 3,259.617 | 6.27 | 20,438 |
| Qualified XII (1.25) | 15,178.054 | 6.25 | 94,863 |
| Qualified XII (1.30) | 149.090 | 6.23 | 929 |
| Qualified XII (1.40) | 2,417.204 | 6.18 | 14,938 |
| Qualified XII (1.45) | 1,067.269 | 6.16 | 6,574 |
| Qualified XV | 327.294 | 6.39 | 2,091 |
| Qualified XVI | 5,564.785 | 6.14 | 34,168 |
| Qualified XVIII | 2,423.798 | 6.25 | 15,149 |
| Qualified XXV | 4,296.594 | 6.55 | 28,143 |
| Qualified XXVI | 730.388 | 6.45 | 4,711 |
| Qualified XXXVIII | 281.637 | 6.34 | 1,786 |
| Qualified XLIII | 62.191 | 6.33 | 394 |
| Qualified LIII | 1,149.902 | 9.63 | 11,074 |
| Qualified LIV | 3,554.781 | 9.57 | 34,019 |
| Qualified LVI | 316.118 | 9.68 | 3,060 |
| Qualified LIX | 4,355.442 | 7.17 | 31,229 |
| | <u>1,290,470.912</u> | | <u>\$ 8,367,046</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|----------------------------------------------------------|---------------|-------------------|-----------------------|
| ING VP SmallCap Opportunities Portfolio - Class S | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 5,691.374 | \$ 8.20 | \$ 46,669 |
| ING VP Balanced Portfolio - Class I | | | |
| Currently payable annuity contracts: | 855,986.362 | \$8.63 to \$28.53 | \$ 17,000,524 |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 1,834.321 | 9.24 | 16,949 |
| ING MAP PLUS NP14 | 572.373 | 8.95 | 5,123 |
| ING MAP PLUS NP15 | 27.188 | 8.93 | 243 |
| ING MAP PLUS NP21 | 8,396.578 | 8.80 | 73,890 |
| ING MAP PLUS NP22 | 10,371.002 | 8.78 | 91,057 |
| ING MAP PLUS NP25 | 222.834 | 8.72 | 1,943 |
| ING MAP PLUS NP26 | 1,348.829 | 8.69 | 11,721 |
| Qualified I | 18,796.343 | 27.98 | 525,922 |
| Qualified V | 659.737 | 20.66 | 13,630 |
| Qualified VI | 5,925,047.637 | 21.06 | 124,781,503 |
| Qualified VII | 98,258.815 | 20.39 | 2,003,497 |
| Qualified VIII | 2,224.702 | 19.54 | 43,471 |
| Qualified IX | 1,463.243 | 20.66 | 30,231 |
| Qualified X (1.15) | 345,777.781 | 21.38 | 7,392,729 |
| Qualified X (1.25) | 1,052,478.852 | 21.06 | 22,165,205 |
| Qualified XII (0.00) | 41,538.894 | 11.75 | 488,082 |
| Qualified XII (0.05) | 51,503.720 | 23.13 | 1,191,281 |
| Qualified XII (0.10) | 65.905 | 11.63 | 766 |
| Qualified XII (0.20) | 36,612.798 | 11.51 | 421,413 |
| Qualified XII (0.25) | 43,293.785 | 11.44 | 495,281 |
| Qualified XII (0.30) | 217,774.729 | 11.38 | 2,478,276 |
| Qualified XII (0.35) | 12,253.294 | 11.32 | 138,707 |
| Qualified XII (0.40) | 22,299.924 | 16.18 | 360,813 |
| Qualified XII (0.45) | 36.872 | 11.20 | 413 |
| Qualified XII (0.50) | 336,346.775 | 11.58 | 3,894,896 |
| Qualified XII (0.55) | 136,408.373 | 11.09 | 1,512,769 |
| Qualified XII (0.60) | 243,822.506 | 11.03 | 2,689,362 |
| Qualified XII (0.65) | 178,483.498 | 10.97 | 1,957,964 |
| Qualified XII (0.70) | 291,415.203 | 10.91 | 3,179,340 |
| Qualified XII (0.75) | 604,118.777 | 10.85 | 6,554,689 |
| Qualified XII (0.80) | 1,235,406.997 | 11.52 | 14,231,889 |
| Qualified XII (0.85) | 803,014.231 | 15.50 | 12,446,721 |
| Qualified XII (0.90) | 183,469.079 | 11.20 | 2,054,854 |
| Qualified XII (0.95) | 834,263.468 | 15.31 | 12,772,574 |
| Qualified XII (1.00) | 1,221,726.781 | 15.21 | 18,582,464 |
| Qualified XII (1.05) | 77,643.109 | 15.11 | 1,173,187 |
| Qualified XII (1.10) | 184,494.941 | 15.02 | 2,771,114 |
| Qualified XII (1.15) | 274,078.919 | 14.92 | 4,089,257 |
| Qualified XII (1.20) | 15,527.307 | 14.83 | 230,270 |
| Qualified XII (1.25) | 88,949.868 | 14.74 | 1,311,121 |
| Qualified XII (1.30) | 4,492.960 | 14.64 | 65,777 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--------------------------------------------------------|-----------------------|-------------------|-----------------------|
| ING VP Balanced Portfolio - Class I (continued) | | | |
| Qualified XII (1.35) | 2,295.742 | \$ 14.55 | \$ 33,403 |
| Qualified XII (1.40) | 15,460.662 | 14.46 | 223,561 |
| Qualified XII (1.45) | 208.148 | 14.37 | 2,991 |
| Qualified XII (1.50) | 1,356.609 | 14.28 | 19,372 |
| Qualified XIII | 8.512 | 21.87 | 186 |
| Qualified XV | 11,755.637 | 21.84 | 256,743 |
| Qualified XVI | 124,977.343 | 20.45 | 2,555,787 |
| Qualified XVII | 95,222.378 | 21.68 | 2,064,421 |
| Qualified XVIII | 146,727.776 | 21.68 | 3,181,058 |
| Qualified XIX | 9,976.108 | 28.80 | 287,312 |
| Qualified XX | 19,914.801 | 28.47 | 566,974 |
| Qualified XXV | 37,947.460 | 22.22 | 843,193 |
| Qualified XXVI | 4,969.746 | 21.95 | 109,086 |
| Qualified XXVII | 826,872.862 | 28.23 | 23,342,621 |
| Qualified XXVIII | 102,517.264 | 28.15 | 2,885,861 |
| Qualified XXX | 40,737.368 | 27.10 | 1,103,983 |
| Qualified XXXII | 217,887.765 | 9.14 | 1,991,494 |
| Qualified XXXVI | 23,631.215 | 9.95 | 235,131 |
| Qualified XXXVIII | 207,840.997 | 7.16 | 1,488,142 |
| Qualified XLIII | 12,433.588 | 7.13 | 88,651 |
| Qualified LIII | 154,708.476 | 8.84 | 1,367,623 |
| Qualified LIV | 232,643.460 | 8.78 | 2,042,610 |
| Qualified LVI | 105,315.658 | 8.89 | 936,256 |
| Qualified LIX | 4,785.311 | 10.07 | 48,188 |
| | <u>17,862,704.196</u> | | <u>\$ 314,925,565</u> |
| ING VP Intermediate Bond Portfolio - Class I | | | |
| Currently payable annuity contracts: | 295,681.914 | \$9.89 to \$83.76 | \$ 5,940,774 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 7,378.504 | 10.38 | 76,589 |
| ING MAP PLUS NP1 | 37,722.100 | 10.62 | 400,609 |
| ING MAP PLUS NP6 | 26,873.318 | 10.49 | 281,901 |
| ING MAP PLUS NP8 | 39,309.754 | 10.44 | 410,394 |
| ING MAP PLUS NP9 | 11,721.298 | 10.41 | 122,019 |
| ING MAP PLUS NP10 | 230.615 | 10.38 | 2,394 |
| ING MAP PLUS NP11 | 109,386.945 | 10.36 | 1,133,249 |
| ING MAP PLUS NP12 | 55,533.585 | 10.33 | 573,662 |
| ING MAP PLUS NP13 | 5,522.661 | 10.31 | 56,939 |
| ING MAP PLUS NP14 | 5,900.766 | 10.28 | 60,660 |
| ING MAP PLUS NP15 | 62,189.408 | 10.26 | 638,063 |
| ING MAP PLUS NP16 | 979.648 | 10.23 | 10,022 |
| ING MAP PLUS NP17 | 16,570.654 | 10.21 | 169,186 |
| ING MAP PLUS NP18 | 6,164.972 | 10.18 | 62,759 |
| ING MAP PLUS NP19 | 757.897 | 10.16 | 7,700 |
| ING MAP PLUS NP20 | 291.653 | 10.13 | 2,954 |
| ING MAP PLUS NP21 | 2,716.043 | 10.11 | 27,459 |
| ING MAP PLUS NP23 | 9,680.783 | 10.06 | 97,389 |
| ING MAP PLUS NP24 | 1,638.123 | 10.03 | 16,430 |
| ING MAP PLUS NP25 | 557.927 | 10.01 | 5,585 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---------------------------------------------------------------------|---------------|-------------------|-----------------------|
| ING VP Intermediate Bond Portfolio - Class I (continued) | | | |
| ING MAP PLUS NP26 | 746.945 | \$ 9.98 | \$ 7,455 |
| ING MAP PLUS NP27 | 3,727.362 | 9.96 | 37,125 |
| ING MAP PLUS NP28 | 15,306.125 | 9.94 | 152,143 |
| ING MAP PLUS NP29 | 1,701.270 | 9.91 | 16,860 |
| ING MAP PLUS NP30 | 1,515.183 | 9.89 | 14,985 |
| ING MAP PLUS NP35 | 1,257.529 | 9.77 | 12,286 |
| Qualified I | 5,483.794 | 73.34 | 402,181 |
| Qualified V | 1,185.824 | 18.47 | 21,902 |
| Qualified VI | 4,992,356.036 | 18.57 | 92,708,052 |
| Qualified VII | 62,712.843 | 17.29 | 1,084,305 |
| Qualified VIII | 7,996.226 | 17.09 | 136,656 |
| Qualified IX | 553.548 | 18.08 | 10,008 |
| Qualified X (1.15) | 271,720.350 | 18.86 | 5,124,646 |
| Qualified X (1.25) | 703,102.523 | 18.57 | 13,056,614 |
| Qualified XII (0.00) | 26,354.370 | 15.71 | 414,027 |
| Qualified XII (0.05) | 209,522.685 | 20.41 | 4,276,358 |
| Qualified XII (0.10) | 6.334 | 15.54 | 98 |
| Qualified XII (0.20) | 38,193.010 | 15.38 | 587,409 |
| Qualified XII (0.25) | 31,797.180 | 15.29 | 486,179 |
| Qualified XII (0.30) | 189,955.718 | 15.21 | 2,889,226 |
| Qualified XII (0.35) | 5,567.904 | 15.13 | 84,242 |
| Qualified XII (0.40) | 59,370.861 | 17.28 | 1,025,928 |
| Qualified XII (0.45) | 809.370 | 14.97 | 12,116 |
| Qualified XII (0.50) | 463,233.691 | 15.10 | 6,994,829 |
| Qualified XII (0.55) | 233,534.895 | 14.81 | 3,458,652 |
| Qualified XII (0.60) | 123,333.212 | 14.74 | 1,817,932 |
| Qualified XII (0.65) | 461,356.211 | 14.66 | 6,763,482 |
| Qualified XII (0.70) | 411,319.418 | 14.58 | 5,997,037 |
| Qualified XII (0.75) | 373,088.946 | 14.50 | 5,409,790 |
| Qualified XII (0.80) | 966,351.581 | 14.63 | 14,137,724 |
| Qualified XII (0.85) | 775,031.794 | 16.55 | 12,826,776 |
| Qualified XII (0.90) | 82,848.322 | 14.49 | 1,200,472 |
| Qualified XII (0.95) | 2,994,466.155 | 16.34 | 48,929,577 |
| Qualified XII (1.00) | 1,700,056.020 | 16.24 | 27,608,910 |
| Qualified XII (1.05) | 73,671.367 | 16.13 | 1,188,319 |
| Qualified XII (1.10) | 130,907.828 | 16.03 | 2,098,452 |
| Qualified XII (1.15) | 158,911.537 | 15.93 | 2,531,461 |
| Qualified XII (1.20) | 44,152.548 | 15.83 | 698,935 |
| Qualified XII (1.25) | 121,609.453 | 15.73 | 1,912,917 |
| Qualified XII (1.30) | 5,293.579 | 15.63 | 82,739 |
| Qualified XII (1.35) | 3,013.917 | 15.53 | 46,806 |
| Qualified XII (1.40) | 25,237.260 | 15.44 | 389,663 |
| Qualified XII (1.45) | 7,872.748 | 15.34 | 120,768 |
| Qualified XII (1.50) | 1,041.107 | 15.24 | 15,866 |
| Qualified XV | 7,842.564 | 19.26 | 151,048 |
| Qualified XVI | 143,535.671 | 18.04 | 2,589,384 |
| Qualified XVII | 112,091.714 | 18.90 | 2,118,533 |
| Qualified XVIII | 174,989.521 | 18.90 | 3,307,302 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---------------------------------------------------------------------|-----------------------|--------------------|-----------------------|
| ING VP Intermediate Bond Portfolio - Class I (continued) | | | |
| Qualified XIX | 15.553 | \$ 74.63 | \$ 1,161 |
| Qualified XX | 7,112.050 | 73.28 | 521,171 |
| Qualified XXI | 21,798.099 | 19.54 | 425,935 |
| Qualified XXV | 23,421.091 | 19.59 | 458,819 |
| Qualified XXVI | 10,470.949 | 19.35 | 202,613 |
| Qualified XXVII | 576,494.321 | 73.52 | 42,383,862 |
| Qualified XXVIII | 156,594.803 | 73.31 | 11,479,965 |
| Qualified XXX | 18,281.029 | 70.58 | 1,290,275 |
| Qualified XXXII | 94,934.097 | 10.30 | 977,821 |
| Qualified XXXIII (0.65) | 26,899.284 | 12.34 | 331,937 |
| Qualified XXXV | 3,927.286 | 10.08 | 39,587 |
| Qualified XXIX | 307.818 | 72.02 | 22,169 |
| Qualified XXXVI | 42,348.150 | 12.44 | 526,811 |
| Qualified XXXVIII | 143,974.240 | 9.25 | 1,331,762 |
| Qualified XLIII | 12,500.482 | 9.22 | 115,254 |
| Qualified LIII | 231,330.109 | 10.23 | 2,366,507 |
| Qualified LIV | 177,823.331 | 10.16 | 1,806,685 |
| Qualified LVI | 95,615.210 | 10.28 | 982,924 |
| Qualified LIX | 5,085.538 | 12.59 | 64,027 |
| | <u>18,571,476.057</u> | | <u>\$ 350,384,197</u> |
| ING VP Intermediate Bond Portfolio - Class S | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 21,971.157 | \$ 9.64 | \$ 211,802 |
| ING VP Money Market Portfolio - Class I | | | |
| Currently payable annuity contracts: | 1,213,874.450 | \$10.68 to \$12.98 | \$ 13,677,870 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 273,075.388 | 11.10 | 3,031,137 |
| ING MAP PLUS NP4 | 2,317.484 | 11.41 | 26,442 |
| ING MAP PLUS NP6 | 12.220 | 11.35 | 139 |
| ING MAP PLUS NP15 | 6,640.462 | 11.10 | 73,709 |
| ING MAP PLUS NP17 | 687.285 | 11.05 | 7,595 |
| ING MAP PLUS NP19 | 24,465.035 | 11.00 | 269,115 |
| ING MAP PLUS NP21 | 941.994 | 10.94 | 10,305 |
| ING MAP PLUS NP25 | 1,013.073 | 10.83 | 10,972 |
| ING MAP PLUS NP26 | 486.964 | 10.81 | 5,264 |
| Qualified I | 3,905.472 | 54.26 | 211,911 |
| Qualified V | 24,448.478 | 15.08 | 368,683 |
| Qualified VI | 5,263,804.102 | 15.42 | 81,167,859 |
| Qualified VII | 66,945.829 | 15.42 | 1,032,305 |
| Qualified VIII | 8,305.971 | 14.84 | 123,261 |
| Qualified IX | 868.685 | 15.69 | 13,630 |
| Qualified X (1.15) | 395,971.404 | 15.66 | 6,200,912 |
| Qualified X (1.25) | 819,903.676 | 15.42 | 12,642,915 |
| Qualified XII (0.00) | 16,516.336 | 14.51 | 239,652 |
| Qualified XII (0.05) | 44,401.187 | 16.94 | 752,156 |
| Qualified XII (0.25) | 5,139.268 | 14.13 | 72,618 |
| Qualified XII (0.30) | 582,760.278 | 14.05 | 8,187,782 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|------------------------------------------------------------|-----------------------|-------------------|-----------------------|
| ING VP Money Market Portfolio - Class I (continued) | | | |
| Qualified XII (0.35) | 88,510.200 | \$ 13.98 | \$ 1,237,373 |
| Qualified XII (0.40) | 254,244.825 | 15.14 | 3,849,267 |
| Qualified XII (0.45) | 334.852 | 13.83 | 4,631 |
| Qualified XII (0.50) | 1,857,130.772 | 13.89 | 25,795,546 |
| Qualified XII (0.55) | 248,143.341 | 13.68 | 3,394,601 |
| Qualified XII (0.60) | 422,638.988 | 13.61 | 5,752,117 |
| Qualified XII (0.65) | 1,668,292.366 | 13.54 | 22,588,679 |
| Qualified XII (0.70) | 1,104,772.716 | 13.47 | 14,881,288 |
| Qualified XII (0.75) | 1,480,502.667 | 13.40 | 19,838,736 |
| Qualified XII (0.80) | 1,831,765.099 | 13.50 | 24,728,829 |
| Qualified XII (0.85) | 931,951.521 | 14.50 | 13,513,297 |
| Qualified XII (0.90) | 201,555.761 | 13.32 | 2,684,723 |
| Qualified XII (0.95) | 3,316,496.492 | 14.32 | 47,492,230 |
| Qualified XII (1.00) | 4,585,229.181 | 14.23 | 65,247,811 |
| Qualified XII (1.05) | 208,197.288 | 14.14 | 2,943,910 |
| Qualified XII (1.10) | 287,943.348 | 14.05 | 4,045,604 |
| Qualified XII (1.15) | 201,803.071 | 13.96 | 2,817,171 |
| Qualified XII (1.20) | 60,965.910 | 13.88 | 846,207 |
| Qualified XII (1.25) | 813,394.346 | 13.79 | 11,216,708 |
| Qualified XII (1.30) | 8,505.961 | 13.70 | 116,532 |
| Qualified XII (1.35) | 2,810.007 | 13.62 | 38,272 |
| Qualified XII (1.40) | 46,061.786 | 13.53 | 623,216 |
| Qualified XII (1.45) | 16,415.776 | 13.45 | 220,792 |
| Qualified XII (1.50) | 5,570.085 | 13.36 | 74,416 |
| Qualified XIII | 20,037.370 | 16.02 | 320,999 |
| Qualified XV | 27,161.909 | 15.99 | 434,319 |
| Qualified XVI | 160,993.788 | 14.98 | 2,411,687 |
| Qualified XVII | 133,856.005 | 15.42 | 2,064,060 |
| Qualified XVIII | 254,553.658 | 15.42 | 3,925,217 |
| Qualified XIX | 159.202 | 54.26 | 8,638 |
| Qualified XX | 23,931.595 | 53.14 | 1,271,725 |
| Qualified XXI | 61,458.099 | 16.22 | 996,850 |
| Qualified XXV | 78,148.377 | 16.27 | 1,271,474 |
| Qualified XXVI | 14,553.054 | 16.07 | 233,868 |
| Qualified XXVII | 1,255,218.711 | 57.58 | 72,275,493 |
| Qualified XXVIII | 757,774.535 | 56.47 | 42,791,528 |
| Qualified XXIX | 1.550 | 53.14 | 82 |
| Qualified XXX | 40,069.364 | 52.08 | 2,086,812 |
| Qualified XXXII | 42,730.896 | 11.07 | 473,031 |
| Qualified XXXIII (0.65) | 68,430.098 | 11.78 | 806,107 |
| Qualified XXXV | 261,737.154 | 11.27 | 2,949,778 |
| Qualified XXXVI | 18,680.948 | 11.87 | 221,743 |
| Qualified XXXVIII | 97,098.675 | 10.36 | 1,005,942 |
| Qualified LIII | 177,630.688 | 11.48 | 2,039,200 |
| Qualified LIV | 65,819.639 | 11.41 | 751,002 |
| Qualified LVI | 26,299.354 | 11.54 | 303,495 |
| Qualified XLIII | 11,048.288 | 10.33 | 114,129 |
| Qualified LIX | 15,309.037 | 12.02 | 184,015 |
| | <u>32,012,423.394</u> | | <u>\$ 541,019,382</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--------------------------------------------------------------------------|------------------|-------------------|-----------------------|
| Janus Aspen Series Balanced Portfolio - Institutional Shares | | | |
| Contracts in accumulation period: | | | |
| Qualified VI | 6,528.723 | \$ 26.71 | \$ 174,382 |
| Qualified XII (0.50) | 159.972 | 17.96 | 2,873 |
| Qualified XII (0.55) | 4.948 | 16.99 | 84 |
| Qualified XII (0.65) | 15.044 | 16.81 | 253 |
| Qualified XII (0.70) | 119.880 | 16.73 | 2,006 |
| Qualified XII (0.75) | 531.044 | 16.64 | 8,837 |
| Qualified XII (0.80) | 26.060 | 17.88 | 466 |
| Qualified XII (0.85) | 17.961 | 25.02 | 449 |
| Qualified XII (0.90) | 675.410 | 17.36 | 11,725 |
| Qualified XII (0.95) | 102.209 | 24.70 | 2,525 |
| Qualified XII (1.00) | 838.002 | 24.55 | 20,573 |
| Qualified XII (1.15) | 32.698 | 24.09 | 788 |
| Qualified XII (1.25) | 40.610 | 23.78 | 966 |
| Qualified XII (1.40) | 0.198 | 23.34 | 5 |
| Qualified XII (1.45) | 5.572 | 23.19 | 129 |
| Qualified XVII | 367.136 | 26.71 | 9,806 |
| | <u>9,465.467</u> | | <u>\$ 235,867</u> |
| Janus Aspen Series Flexible Bond Portfolio - Institutional Shares | | | |
| Contracts in accumulation period: | | | |
| Qualified VI | 3,019.991 | \$ 23.44 | \$ 70,789 |
| Qualified X (1.25) | 7.952 | 15.77 | 125 |
| Qualified XII (0.50) | 22.232 | 17.36 | 386 |
| Qualified XII (0.55) | 23.993 | 16.94 | 406 |
| Qualified XII (0.60) | 3.220 | 16.85 | 54 |
| Qualified XII (0.70) | 604.748 | 16.68 | 10,087 |
| Qualified XII (0.75) | 162.952 | 16.59 | 2,703 |
| Qualified XII (0.80) | 40.389 | 16.85 | 681 |
| Qualified XII (0.85) | 21.428 | 20.60 | 441 |
| Qualified XII (0.90) | 97.999 | 16.67 | 1,634 |
| Qualified XII (0.95) | 21.086 | 20.34 | 429 |
| Qualified XII (1.00) | 496.797 | 20.21 | 10,040 |
| Qualified XII (1.15) | 10.360 | 19.83 | 205 |
| Qualified XII (1.50) | 8.012 | 18.97 | 152 |
| | <u>4,541.159</u> | | <u>\$ 98,132</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-----------------------------------------------------------------------------|-------------------|-------------------|-----------------------|
| Janus Aspen Series Large Cap Growth Portfolio - Institutional Shares | | | |
| Contracts in accumulation period: | | | |
| Qualified VI | 3,477.959 | \$ 13.76 | \$ 47,857 |
| Qualified X (1.25) | 18.923 | 14.72 | 279 |
| Qualified XII (0.50) | 162.488 | 8.90 | 1,446 |
| Qualified XII (0.55) | 7.915 | 8.35 | 66 |
| Qualified XII (0.70) | 1,141.786 | 8.22 | 9,385 |
| Qualified XII (0.75) | 849.163 | 8.17 | 6,938 |
| Qualified XII (0.80) | 38.027 | 8.95 | 340 |
| Qualified XII (0.85) | 27.897 | 12.37 | 345 |
| Qualified XII (0.90) | 394.288 | 8.60 | 3,391 |
| Qualified XII (0.95) | 89.380 | 12.22 | 1,092 |
| Qualified XII (1.00) | 325.933 | 12.14 | 3,957 |
| Qualified XII (1.40) | 4.036 | 11.54 | 47 |
| Qualified XVII | 4.154 | 13.76 | 57 |
| | <u>6,541.949</u> | | <u>\$ 75,200</u> |
| Janus Aspen Series Mid Cap Growth Portfolio - Institutional Shares | | | |
| Contracts in accumulation period: | | | |
| Qualified VI | 10,622.299 | \$ 17.72 | \$ 188,227 |
| Qualified XII (0.30) | 306.371 | 11.30 | 3,462 |
| Qualified XII (0.45) | 0.049 | 11.12 | 1 |
| Qualified XII (0.50) | 167.938 | 11.44 | 1,921 |
| Qualified XII (0.55) | 5.683 | 11.00 | 63 |
| Qualified XII (0.65) | 15.013 | 10.88 | 163 |
| Qualified XII (0.70) | 1,027.257 | 10.83 | 11,125 |
| Qualified XII (0.75) | 187.035 | 10.77 | 2,014 |
| Qualified XII (0.80) | 262.084 | 11.55 | 3,027 |
| Qualified XII (0.85) | 522.517 | 12.46 | 6,511 |
| Qualified XII (0.90) | 316.520 | 11.24 | 3,558 |
| Qualified XII (0.95) | 151.856 | 12.30 | 1,868 |
| Qualified XII (1.00) | 603.393 | 12.23 | 7,380 |
| Qualified XII (1.20) | 504.462 | 11.92 | 6,013 |
| Qualified XII (1.45) | 8.855 | 11.55 | 102 |
| Qualified XII (1.50) | 12.837 | 11.48 | 147 |
| Qualified XVII | 234.248 | 17.72 | 4,151 |
| | <u>14,948.417</u> | | <u>\$ 239,733</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-----------------------------------------------------------------------------|-------------------|-------------------|-----------------------|
| Janus Aspen Series Worldwide Growth Portfolio - Institutional Shares | | | |
| Contracts in accumulation period: | | | |
| Qualified VI | 6,444.407 | \$ 14.85 | \$ 95,699 |
| Qualified XII (0.45) | 0.093 | 7.73 | 1 |
| Qualified XII (0.50) | 183.400 | 8.63 | 1,583 |
| Qualified XII (0.65) | 14.975 | 7.57 | 113 |
| Qualified XII (0.70) | 1,085.977 | 7.53 | 8,177 |
| Qualified XII (0.75) | 893.306 | 7.49 | 6,691 |
| Qualified XII (0.80) | 1,362.297 | 8.76 | 11,934 |
| Qualified XII (0.85) | 95.276 | 12.79 | 1,219 |
| Qualified XII (0.90) | 640.245 | 8.48 | 5,429 |
| Qualified XII (0.95) | 67.212 | 12.63 | 849 |
| Qualified XII (1.00) | 896.436 | 12.55 | 11,250 |
| Qualified XII (1.15) | 45.699 | 12.31 | 563 |
| Qualified XII (1.20) | 134.796 | 12.23 | 1,649 |
| Qualified XII (1.50) | 4.429 | 11.78 | 52 |
| Qualified XVII | 605.844 | 14.85 | 8,997 |
| | <u>12,474.392</u> | | <u>\$ 154,206</u> |
| Lazard U.S. Mid Cap Equity Portfolio - Open Shares | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 1,538.540 | \$ 5.30 | \$ 8,154 |
| ING MAP PLUS NP8 | 17,114.523 | 5.37 | 91,905 |
| ING MAP PLUS NP22 | 46.204 | 5.30 | 245 |
| Qualified VI | 12,946.621 | 5.30 | 68,617 |
| Qualified XII (0.00) | 127.017 | 5.42 | 688 |
| Qualified XII (0.30) | 172.139 | 5.39 | 928 |
| Qualified XII (0.40) | 92.353 | 5.38 | 497 |
| Qualified XII (0.50) | 21,512.855 | 5.37 | 115,524 |
| Qualified XII (0.55) | 621.298 | 5.37 | 3,336 |
| Qualified XII (0.65) | 37.093 | 5.36 | 199 |
| Qualified XII (0.70) | 44.198 | 5.35 | 236 |
| Qualified XII (0.75) | 228.256 | 5.35 | 1,221 |
| Qualified XII (0.80) | 4,104.397 | 5.34 | 21,917 |
| Qualified XII (0.85) | 133.938 | 5.34 | 715 |
| Qualified XII (0.90) | 670.540 | 5.33 | 3,574 |
| Qualified XII (0.95) | 1,964.600 | 5.33 | 10,471 |
| Qualified XII (1.00) | 6,137.381 | 5.33 | 32,712 |
| Qualified XII (1.05) | 373.801 | 5.32 | 1,989 |
| Qualified XII (1.10) | 924.128 | 5.32 | 4,916 |
| Qualified XII (1.15) | 134.467 | 5.31 | 714 |
| Qualified XII (1.20) | 1,688.851 | 5.31 | 8,968 |
| Qualified XII (1.25) | 1,816.177 | 5.30 | 9,626 |
| Qualified XV | 10.313 | 5.33 | 55 |
| Qualified XXV | 49.104 | 5.36 | 263 |
| Qualified XXVI | 26.275 | 5.35 | 141 |
| | <u>72,515.069</u> | | <u>\$ 387,611</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| <u>Division/Contract</u> | <u>Units</u> | <u>Unit Value</u> | <u>Extended Value</u> |
|----------------------------------------------------------|--------------------|-------------------|-----------------------|
| LKCM Aquinas Growth Fund | | | |
| Contracts in accumulation period: | | | |
| Qualified XII (1.05) | 25,657.965 | \$ 8.01 | \$ 205,520 |
| Loomis Sayles Small Cap Value Fund - Retail Class | | | |
| Contracts in accumulation period: | | | |
| Qualified VI | 13,494.603 | \$ 7.15 | \$ 96,486 |
| Qualified XII (0.40) | 13.522 | 7.19 | 97 |
| Qualified XII (0.50) | 1,313.391 | 7.19 | 9,443 |
| Qualified XII (0.70) | 6.866 | 7.18 | 49 |
| Qualified XII (0.75) | 612.874 | 7.17 | 4,394 |
| Qualified XII (0.80) | 0.473 | 7.17 | 3 |
| Qualified XII (0.85) | 3,415.039 | 7.17 | 24,486 |
| Qualified XII (0.90) | 288.987 | 7.17 | 2,072 |
| Qualified XII (0.95) | 1,034.700 | 7.16 | 7,408 |
| Qualified XII (1.00) | 3,939.031 | 7.16 | 28,203 |
| Qualified XII (1.05) | 180.365 | 7.16 | 1,291 |
| Qualified XII (1.15) | 1,710.443 | 7.16 | 12,247 |
| Qualified XII (1.25) | 27.917 | 7.15 | 200 |
| Qualified XII (1.50) | 4.424 | 7.14 | 32 |
| Qualified XVI | 177.866 | 7.14 | 1,270 |
| Qualified XXI | 99,616.819 | 7.17 | 714,253 |
| Qualified XXV | 274.294 | 7.17 | 1,967 |
| Qualified LIII | 17.650 | 7.19 | 127 |
| Qualified LIV | 96.569 | 7.17 | 692 |
| Qualified LVI | 39.008 | 7.20 | 281 |
| | <u>126,264.841</u> | | <u>\$ 905,001</u> |
| Lord Abbett Mid-Cap Value Fund, Inc. - Class A | | | |
| Contracts in accumulation period: | | | |
| Qualified XII (1.00) | 10,402.549 | \$ 10.13 | \$ 105,378 |
| ING MAP PLUS NP8 | 3,964.098 | 8.71 | 34,527 |
| ING MAP PLUS NP9 | 8,582.035 | 8.69 | 74,578 |
| ING MAP PLUS NP11 | 3,468.677 | 8.64 | 29,969 |
| ING MAP PLUS NP12 | 4,635.048 | 8.62 | 39,954 |
| ING MAP PLUS NP15 | 3,775.352 | 8.56 | 32,317 |
| ING MAP PLUS NP16 | 5,655.100 | 8.54 | 48,295 |
| ING MAP PLUS NP17 | 11,119.506 | 8.52 | 94,738 |
| ING MAP PLUS NP20 | 11,410.413 | 8.45 | 96,418 |
| ING MAP PLUS NP21 | 11,032.133 | 8.43 | 93,001 |
| ING MAP PLUS NP23 | 7,708.306 | 8.39 | 64,673 |
| ING MAP PLUS NP25 | 463.776 | 8.35 | 3,873 |
| ING MAP PLUS NP28 | 31.455 | 8.29 | 261 |
| ING MAP PLUS NP30 | 1,206.749 | 8.25 | 9,956 |
| ING MAP PLUS NP32 | 77.415 | 8.21 | 636 |
| ING MAP PLUS NP35 | 1,315.312 | 8.15 | 10,720 |
| | <u>84,847.924</u> | | <u>\$ 739,294</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---------------------------------------------------------------------|-------------------|-------------------|-----------------------|
| Lord Abbett Small-Cap Value Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP8 | 114.333 | \$ 12.03 | \$ 1,375 |
| ING MAP PLUS NP9 | 18,147.402 | 12.01 | 217,950 |
| ING MAP PLUS NP11 | 14,916.558 | 11.95 | 178,253 |
| ING MAP PLUS NP12 | 1,587.212 | 11.92 | 18,920 |
| ING MAP PLUS NP14 | 6,999.141 | 11.86 | 83,010 |
| ING MAP PLUS NP15 | 2,954.702 | 11.83 | 34,954 |
| ING MAP PLUS NP17 | 3,420.889 | 11.77 | 40,264 |
| ING MAP PLUS NP20 | 25,996.133 | 11.69 | 303,895 |
| ING MAP PLUS NP21 | 4,044.516 | 11.66 | 47,159 |
| ING MAP PLUS NP22 | 334.061 | 11.63 | 3,885 |
| ING MAP PLUS NP23 | 644.622 | 11.60 | 7,478 |
| ING MAP PLUS NP28 | 7,890.551 | 11.46 | 90,426 |
| ING MAP PLUS NP29 | 3,042.303 | 11.43 | 34,774 |
| ING MAP PLUS NP30 | 1,013.709 | 11.40 | 11,556 |
| | <u>91,106.132</u> | | <u>\$ 1,073,899</u> |
| Lord Abbett Series Fund - Mid-Cap Value Portfolio - Class VC | | | |
| Currently payable annuity contracts: | 69,589.139 | \$ 9.12 | \$ 634,653 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 2,099.978 | 8.52 | 17,892 |
| Qualified VI | 1,608,994.623 | 8.85 | 14,239,602 |
| Qualified X (1.15) | 65,316.185 | 8.92 | 582,620 |
| Qualified X (1.25) | 214,956.892 | 8.85 | 1,902,368 |
| Qualified XII (0.00) | 6,443.540 | 9.72 | 62,631 |
| Qualified XII (0.10) | 66.860 | 9.64 | 645 |
| Qualified XII (0.20) | 107.336 | 9.57 | 1,027 |
| Qualified XII (0.25) | 55.100 | 9.54 | 526 |
| Qualified XII (0.30) | 295,857.305 | 9.50 | 2,810,644 |
| Qualified XII (0.35) | 1,591.448 | 9.47 | 15,071 |
| Qualified XII (0.40) | 23,024.381 | 9.43 | 217,120 |
| Qualified XII (0.50) | 109,355.716 | 9.36 | 1,023,570 |
| Qualified XII (0.55) | 36,506.043 | 9.33 | 340,601 |
| Qualified XII (0.60) | 19,908.343 | 9.29 | 184,949 |
| Qualified XII (0.65) | 30,323.774 | 9.26 | 280,798 |
| Qualified XII (0.70) | 59,386.380 | 9.22 | 547,542 |
| Qualified XII (0.75) | 161,695.103 | 9.19 | 1,485,978 |
| Qualified XII (0.80) | 120,524.590 | 9.15 | 1,102,800 |
| Qualified XII (0.85) | 248,848.323 | 9.12 | 2,269,497 |
| Qualified XII (0.90) | 39,703.166 | 9.09 | 360,902 |
| Qualified XII (0.95) | 1,641,821.559 | 9.05 | 14,858,485 |
| Qualified XII (1.00) | 999,731.257 | 9.02 | 9,017,576 |
| Qualified XII (1.05) | 40,909.576 | 8.98 | 367,368 |
| Qualified XII (1.10) | 40,064.575 | 8.95 | 358,578 |
| Qualified XII (1.15) | 53,989.889 | 8.92 | 481,590 |
| Qualified XII (1.20) | 11,887.521 | 8.88 | 105,561 |
| Qualified XII (1.25) | 107,584.744 | 8.85 | 952,125 |
| Qualified XII (1.30) | 2,105.865 | 8.82 | 18,574 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-------------------------------------------------------------------------------------|----------------------|-------------------|-----------------------|
| Lord Abbett Series Fund - Mid-Cap Value Portfolio - Class VC (continued) | | | |
| Qualified XII (1.35) | 1,998.309 | \$ 8.79 | \$ 17,565 |
| Qualified XII (1.40) | 9,113.795 | 8.75 | 79,746 |
| Qualified XII (1.45) | 2,607.264 | 8.72 | 22,735 |
| Qualified XII (1.50) | 2,209.497 | 8.69 | 19,201 |
| Qualified XIII | 1,147.110 | 9.05 | 10,381 |
| Qualified XV | 5,576.346 | 9.05 | 50,466 |
| Qualified XVI | 48,955.573 | 8.69 | 425,424 |
| Qualified XVII | 3,045.859 | 8.85 | 26,956 |
| Qualified XVIII | 2,166.810 | 8.85 | 19,176 |
| Qualified XXV | 33,439.534 | 9.19 | 307,309 |
| Qualified XXVI | 7,426.778 | 9.09 | 67,509 |
| Qualified XXVII | 918,372.095 | 11.16 | 10,249,033 |
| Qualified XXVIII | 897,059.683 | 9.65 | 8,656,626 |
| Qualified XXXII | 7,743.997 | 8.92 | 69,076 |
| Qualified XXXIII (0.65) | 27,615.749 | 10.36 | 286,099 |
| Qualified XXXVIII | 10,612.625 | 5.73 | 60,810 |
| Qualified XLIII | 873.916 | 5.71 | 4,990 |
| Qualified LIII | 18,986.062 | 7.70 | 146,193 |
| Qualified LIV | 39,803.460 | 7.65 | 304,496 |
| Qualified LVI | 8,297.977 | 7.73 | 64,143 |
| Qualified LIX | 1,923.516 | 10.54 | 20,274 |
| | <u>8,061,425.166</u> | | <u>\$ 75,149,501</u> |
| Massachusetts Investors Growth Stock Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP9 | 13,177.404 | \$ 8.09 | \$ 106,605 |
| ING MAP PLUS NP12 | 9,602.874 | 8.03 | 77,111 |
| ING MAP PLUS NP17 | 864.774 | 7.93 | 6,858 |
| ING MAP PLUS NP20 | 22,059.225 | 7.88 | 173,827 |
| | <u>45,704.277</u> | | <u>\$ 364,401</u> |
| Morgan Stanley U.S. Small Cap Value Portfolio - Class I | | | |
| Contracts in accumulation period: | | | |
| Qualified XLII | 113,598.391 | \$ 7.40 | \$ 840,628 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-----------------------------------------------------------------|--------------------|-------------------|-----------------------|
| Neuberger Berman Socially Responsive Fund® - Trust Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP8 | 2,586.827 | \$ 6.98 | \$ 18,056 |
| ING MAP PLUS NP11 | 9,517.066 | 6.95 | 66,144 |
| ING MAP PLUS NP12 | 15,562.032 | 6.94 | 108,001 |
| ING MAP PLUS NP13 | 1,417.066 | 6.93 | 9,820 |
| ING MAP PLUS NP15 | 35,499.713 | 6.91 | 245,303 |
| ING MAP PLUS NP16 | 240.607 | 6.90 | 1,660 |
| ING MAP PLUS NP17 | 367.933 | 6.90 | 2,539 |
| ING MAP PLUS NP18 | 1,744.347 | 6.89 | 12,019 |
| ING MAP PLUS NP19 | 61.167 | 6.88 | 421 |
| ING MAP PLUS NP20 | 854.125 | 6.87 | 5,868 |
| ING MAP PLUS NP22 | 440.686 | 6.85 | 3,019 |
| ING MAP PLUS NP23 | 122.680 | 6.84 | 839 |
| ING MAP PLUS NP24 | 61.647 | 6.83 | 421 |
| ING MAP PLUS NP25 | 100.859 | 6.82 | 688 |
| ING MAP PLUS NP26 | 3,577.426 | 6.81 | 24,362 |
| Qualified VI | 99,706.904 | 6.84 | 681,995 |
| Qualified XII (0.00) | 219.546 | 7.07 | 1,552 |
| Qualified XII (0.30) | 1,040.879 | 7.01 | 7,297 |
| Qualified XII (0.40) | 3,468.019 | 7.00 | 24,276 |
| Qualified XII (0.50) | 593.149 | 6.98 | 4,140 |
| Qualified XII (0.55) | 9,575.879 | 6.97 | 66,744 |
| Qualified XII (0.60) | 16.619 | 6.96 | 116 |
| Qualified XII (0.65) | 8.114 | 6.95 | 56 |
| Qualified XII (0.70) | 3,092.084 | 6.94 | 21,459 |
| Qualified XII (0.75) | 12,402.297 | 6.93 | 85,948 |
| Qualified XII (0.80) | 4,074.707 | 6.92 | 28,197 |
| Qualified XII (0.85) | 9,811.168 | 6.91 | 67,795 |
| Qualified XII (0.90) | 3,155.125 | 6.90 | 21,770 |
| Qualified XII (0.95) | 27,716.424 | 6.89 | 190,966 |
| Qualified XII (1.00) | 48,300.624 | 6.88 | 332,308 |
| Qualified XII (1.05) | 1,455.901 | 6.87 | 10,002 |
| Qualified XII (1.10) | 5,022.703 | 6.87 | 34,506 |
| Qualified XII (1.15) | 1,735.649 | 6.86 | 11,907 |
| Qualified XII (1.20) | 318.581 | 6.85 | 2,182 |
| Qualified XII (1.25) | 3,661.833 | 6.84 | 25,047 |
| Qualified XII (1.30) | 17.832 | 6.83 | 122 |
| Qualified XII (1.35) | 114.537 | 6.82 | 781 |
| Qualified XII (1.40) | 1,880.777 | 6.81 | 12,808 |
| Qualified XII (1.50) | 424.087 | 6.79 | 2,880 |
| Qualified XV | 207.611 | 6.89 | 1,430 |
| Qualified XVI | 5,859.630 | 6.79 | 39,787 |
| Qualified XXV | 12.984 | 6.93 | 90 |
| Qualified XXXVIII | 337.505 | 6.12 | 2,066 |
| Qualified LIII | 666.366 | 7.00 | 4,665 |
| Qualified LIV | 672.767 | 6.96 | 4,682 |
| Qualified LVI | 41.737 | 7.03 | 293 |
| | <u>317,766.219</u> | | <u>\$ 2,187,027</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|------------------------------------------------|--------------------|-------------------|-----------------------|
| New Perspective Fund®, Inc. - Class R-3 | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 120,619.695 | \$ 10.62 | \$ 1,280,981 |
| ING MAP PLUS NP4 | 12,194.923 | 10.55 | 128,656 |
| ING MAP PLUS NP6 | 9,442.686 | 10.49 | 99,054 |
| ING MAP PLUS NP8 | 8,714.842 | 10.44 | 90,983 |
| ING MAP PLUS NP9 | 8,842.665 | 10.42 | 92,141 |
| ING MAP PLUS NP11 | 6,236.128 | 10.37 | 64,669 |
| ING MAP PLUS NP12 | 5,703.095 | 10.34 | 58,970 |
| ING MAP PLUS NP13 | 11.152 | 10.32 | 115 |
| ING MAP PLUS NP14 | 27,128.087 | 10.29 | 279,148 |
| ING MAP PLUS NP15 | 12,104.970 | 10.27 | 124,318 |
| ING MAP PLUS NP16 | 89.778 | 10.24 | 919 |
| ING MAP PLUS NP17 | 3,117.980 | 10.22 | 31,866 |
| ING MAP PLUS NP18 | 17,036.733 | 10.19 | 173,604 |
| ING MAP PLUS NP19 | 6,272.335 | 10.17 | 63,790 |
| ING MAP PLUS NP20 | 8,825.700 | 10.14 | 89,493 |
| ING MAP PLUS NP21 | 152.253 | 10.12 | 1,541 |
| ING MAP PLUS NP22 | 4,178.071 | 10.09 | 42,157 |
| ING MAP PLUS NP23 | 285.134 | 10.07 | 2,871 |
| ING MAP PLUS NP24 | 137.628 | 10.04 | 1,382 |
| ING MAP PLUS NP26 | 1,435.966 | 9.99 | 14,345 |
| ING MAP PLUS NP28 | 242.240 | 9.94 | 2,408 |
| ING MAP PLUS NP30 | 1,392.400 | 9.89 | 13,771 |
| | <u>254,164.461</u> | | <u>\$ 2,657,182</u> |
| New Perspective Fund®, Inc. - Class R-4 | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 4,142.103 | \$ 10.63 | \$ 44,031 |
| Qualified V | 207.995 | 10.27 | 2,136 |
| Qualified VI | 800,025.158 | 10.34 | 8,272,260 |
| Qualified XII (0.00) | 901.751 | 10.97 | 9,892 |
| Qualified XII (0.25) | 1,002.757 | 10.84 | 10,870 |
| Qualified XII (0.30) | 163,521.208 | 10.81 | 1,767,664 |
| Qualified XII (0.35) | 1,881.055 | 10.79 | 20,297 |
| Qualified XII (0.40) | 24,554.072 | 10.76 | 264,202 |
| Qualified XII (0.50) | 494,219.866 | 10.71 | 5,293,095 |
| Qualified XII (0.55) | 19,110.027 | 10.69 | 204,286 |
| Qualified XII (0.60) | 28,948.840 | 10.66 | 308,595 |
| Qualified XII (0.65) | 11,890.704 | 10.64 | 126,517 |
| Qualified XII (0.70) | 30,286.634 | 10.61 | 321,341 |
| Qualified XII (0.75) | 143,929.836 | 10.59 | 1,524,217 |
| Qualified XII (0.80) | 228,121.419 | 10.56 | 2,408,962 |
| Qualified XII (0.85) | 139,486.931 | 10.54 | 1,470,192 |
| Qualified XII (0.90) | 11,733.443 | 10.51 | 123,318 |
| Qualified XII (0.95) | 147,639.370 | 10.49 | 1,548,737 |
| Qualified XII (1.00) | 562,864.583 | 10.47 | 5,893,192 |
| Qualified XII (1.05) | 12,246.246 | 10.44 | 127,851 |
| Qualified XII (1.10) | 17,613.402 | 10.42 | 183,532 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|------------------------------------------------------------|----------------------|-------------------|-----------------------|
| New Perspective Fund®, Inc. - Class R-4 (continued) | | | |
| Qualified XII (1.15) | 19,816.549 | \$ 10.39 | \$ 205,894 |
| Qualified XII (1.20) | 7,629.804 | 10.37 | 79,121 |
| Qualified XII (1.25) | 52,270.074 | 10.34 | 540,473 |
| Qualified XII (1.30) | 308.832 | 10.32 | 3,187 |
| Qualified XII (1.35) | 191.517 | 10.30 | 1,973 |
| Qualified XII (1.40) | 8,569.930 | 10.27 | 88,013 |
| Qualified XII (1.45) | 573.413 | 10.25 | 5,877 |
| Qualified XV | 1,004.771 | 10.49 | 10,540 |
| Qualified XVI | 10,323.341 | 10.22 | 105,505 |
| Qualified XVII | 2,794.323 | 10.42 | 29,117 |
| Qualified XXI | 256,382.056 | 10.56 | 2,707,395 |
| Qualified XXV | 4,182.367 | 10.60 | 44,333 |
| Qualified XXVI | 800.736 | 10.54 | 8,440 |
| Qualified XXVII | 532,037.439 | 9.58 | 5,096,919 |
| Qualified XXXIII (0.65) | 34.917 | 10.93 | 382 |
| Qualified XXXVIII | 7,494.527 | 6.13 | 45,941 |
| Qualified XLIII | 46.126 | 6.11 | 282 |
| Qualified LIII | 1,382.138 | 9.94 | 13,738 |
| Qualified LIV | 10,034.553 | 9.87 | 99,041 |
| Qualified LVI | 1,211.701 | 9.98 | 12,093 |
| Qualified LIX | 1,564.907 | 10.80 | 16,901 |
| | <u>3,762,981.421</u> | | <u>\$ 39,040,352</u> |
| Oppenheimer Capital Appreciation Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP8 | 978.848 | \$ 7.03 | \$ 6,881 |
| ING MAP PLUS NP9 | 5,198.690 | 7.01 | 36,443 |
| ING MAP PLUS NP10 | 301.649 | 6.99 | 2,109 |
| ING MAP PLUS NP11 | 19,203.911 | 6.97 | 133,851 |
| ING MAP PLUS NP12 | 2,076.793 | 6.96 | 14,454 |
| ING MAP PLUS NP14 | 797.792 | 6.92 | 5,521 |
| ING MAP PLUS NP18 | 5,224.421 | 6.86 | 35,840 |
| ING MAP PLUS NP23 | 13,184.635 | 6.77 | 89,260 |
| ING MAP PLUS NP26 | 1,201.908 | 6.72 | 8,077 |
| ING MAP PLUS NP28 | 4,561.513 | 6.69 | 30,517 |
| | <u>52,730.160</u> | | <u>\$ 362,953</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|------------------------------------------------------|---------------|-------------------|-----------------------|
| Oppenheimer Developing Markets Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 3,027.453 | \$ 16.82 | \$ 50,922 |
| ING MAP PLUS NP1 | 18,485.401 | 16.00 | 295,766 |
| ING MAP PLUS NP8 | 3,041.230 | 15.72 | 47,808 |
| ING MAP PLUS NP9 | 14,421.382 | 15.69 | 226,271 |
| ING MAP PLUS NP10 | 2,073.315 | 15.65 | 32,447 |
| ING MAP PLUS NP11 | 6,501.280 | 15.61 | 101,485 |
| ING MAP PLUS NP12 | 15,453.216 | 15.57 | 240,607 |
| ING MAP PLUS NP14 | 53.900 | 15.49 | 835 |
| ING MAP PLUS NP15 | 4,925.699 | 15.46 | 76,151 |
| ING MAP PLUS NP17 | 11,351.114 | 15.38 | 174,580 |
| ING MAP PLUS NP19 | 3,896.746 | 15.31 | 59,659 |
| ING MAP PLUS NP20 | 8,721.734 | 15.27 | 133,181 |
| ING MAP PLUS NP21 | 9,218.439 | 15.23 | 140,397 |
| ING MAP PLUS NP22 | 532.315 | 15.19 | 8,086 |
| ING MAP PLUS NP23 | 1,301.699 | 15.16 | 19,734 |
| ING MAP PLUS NP24 | 116.894 | 15.12 | 1,767 |
| ING MAP PLUS NP25 | 1,807.974 | 15.08 | 27,264 |
| ING MAP PLUS NP26 | 731.264 | 15.04 | 10,998 |
| ING MAP PLUS NP27 | 1,196.356 | 15.01 | 17,957 |
| ING MAP PLUS NP28 | 2,041.527 | 14.97 | 30,562 |
| ING MAP PLUS NP29 | 1,863.516 | 14.93 | 27,822 |
| ING MAP PLUS NP30 | 734.990 | 14.90 | 10,951 |
| Qualified V | 276.017 | 33.24 | 9,175 |
| Qualified VI | 1,006,710.723 | 33.69 | 33,916,084 |
| Qualified XII (0.00) | 2,188.353 | 37.41 | 81,866 |
| Qualified XII (0.10) | 8.073 | 37.10 | 300 |
| Qualified XII (0.25) | 641.586 | 36.63 | 23,501 |
| Qualified XII (0.30) | 29,836.199 | 36.48 | 1,088,425 |
| Qualified XII (0.40) | 43,790.089 | 36.18 | 1,584,325 |
| Qualified XII (0.45) | 82.313 | 36.02 | 2,965 |
| Qualified XII (0.50) | 176,630.312 | 35.87 | 6,335,729 |
| Qualified XII (0.55) | 16,305.551 | 35.72 | 582,434 |
| Qualified XII (0.60) | 11,153.030 | 35.57 | 396,713 |
| Qualified XII (0.65) | 20,674.967 | 35.42 | 732,307 |
| Qualified XII (0.70) | 87,307.946 | 35.28 | 3,080,224 |
| Qualified XII (0.75) | 50,289.899 | 35.13 | 1,766,684 |
| Qualified XII (0.80) | 48,560.501 | 34.98 | 1,698,646 |
| Qualified XII (0.85) | 111,277.128 | 34.84 | 3,876,895 |
| Qualified XII (0.90) | 25,538.429 | 34.69 | 885,928 |
| Qualified XII (0.95) | 149,476.490 | 34.54 | 5,162,918 |
| Qualified XII (1.00) | 507,977.653 | 34.40 | 17,474,431 |
| Qualified XII (1.05) | 25,176.794 | 34.26 | 862,557 |
| Qualified XII (1.10) | 20,068.728 | 34.11 | 684,544 |
| Qualified XII (1.15) | 38,609.579 | 33.97 | 1,311,567 |
| Qualified XII (1.20) | 2,889.717 | 33.83 | 97,759 |
| Qualified XII (1.25) | 44,277.471 | 33.69 | 1,491,708 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|----------------------------------------------------------------------|----------------------|-------------------|-----------------------|
| Oppenheimer Developing Markets Fund - Class A (continued) | | | |
| Qualified XII (1.30) | 656.101 | \$ 33.54 | \$ 22,006 |
| Qualified XII (1.35) | 237.369 | 33.40 | 7,928 |
| Qualified XII (1.40) | 4,942.278 | 33.26 | 164,380 |
| Qualified XII (1.45) | 1,170.812 | 33.12 | 38,777 |
| Qualified XII (1.50) | 295.951 | 32.99 | 9,763 |
| Qualified XIII | 39.897 | 34.54 | 1,378 |
| Qualified XV | 3,810.182 | 34.54 | 131,604 |
| Qualified XVI | 21,658.624 | 32.99 | 714,518 |
| Qualified XVII | 3,421.741 | 33.69 | 115,278 |
| Qualified XXI | 20,457.445 | 34.98 | 715,601 |
| Qualified XXV | 15,415.232 | 35.10 | 541,075 |
| Qualified XXVI | 1,629.457 | 34.67 | 56,493 |
| Qualified XXVII | 1,124,498.882 | 22.68 | 25,503,635 |
| Qualified XXXVIII | 43,081.596 | 5.12 | 220,578 |
| Qualified XLIII | 5,492.922 | 5.11 | 28,069 |
| Qualified LIII | 23,862.285 | 12.00 | 286,347 |
| Qualified LIV | 43,297.420 | 11.92 | 516,105 |
| Qualified LVI | 24,999.385 | 12.05 | 301,243 |
| Qualified LIX | 2,787.007 | 35.08 | 97,768 |
| | <u>3,872,999.578</u> | | <u>\$ 114,355,481</u> |
| Oppenheimer Global Securities/VA | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP15 | 40.381 | \$ 9.36 | \$ 378 |
| ING MAP PLUS NP17 | 61.377 | 9.31 | 571 |
| ING MAP PLUS NP28 | 0.046 | 9.06 | 0 |
| Qualified VI | 7,491.395 | 14.70 | 110,124 |
| Qualified X (1.25) | 26.465 | 14.70 | 389 |
| Qualified XII (0.45) | 2.478 | 15.97 | 40 |
| Qualified XII (0.50) | 122.645 | 15.93 | 1,954 |
| Qualified XII (0.55) | 4.120 | 15.80 | 65 |
| Qualified XII (0.60) | 21.295 | 15.72 | 335 |
| Qualified XII (0.70) | 3,312.435 | 15.55 | 51,508 |
| Qualified XII (0.75) | 848.106 | 15.47 | 13,120 |
| Qualified XII (0.80) | 635.415 | 15.43 | 9,804 |
| Qualified XII (0.85) | 470.131 | 15.35 | 7,217 |
| Qualified XII (0.90) | 60.747 | 15.27 | 928 |
| Qualified XII (0.95) | 129.771 | 15.18 | 1,970 |
| Qualified XII (1.00) | 1,793.056 | 15.10 | 27,075 |
| Qualified XII (1.10) | 96.276 | 14.94 | 1,438 |
| Qualified XII (1.15) | 318.727 | 14.86 | 4,736 |
| Qualified XII (1.25) | 136.457 | 14.70 | 2,006 |
| Qualified XII (1.40) | 0.075 | 14.47 | 1 |
| Qualified XII (1.50) | 12.793 | 14.32 | 183 |
| Qualified XVII | 918.614 | 14.70 | 13,504 |
| | <u>16,502.805</u> | | <u>\$ 247,346</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| <u>Division/Contract</u> | <u>Units</u> | <u>Unit Value</u> | <u>Extended Value</u> |
|---------------------------------------------------|--------------------|-------------------|-----------------------|
| Oppenheimer Main Street Fund®/VA | | | |
| Currently payable annuity contracts: | 10,365.984 | \$5.99 to \$6.76 | \$ 63,088 |
| Oppenheimer Main Street Small Cap Fund®/VA | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 405.293 | \$ 7.98 | \$ 3,234 |
| Qualified V | 617.878 | 7.93 | 4,900 |
| Qualified VI | 223,505.187 | 7.98 | 1,783,571 |
| Qualified X (1.15) | 2,430.959 | 9.13 | 22,195 |
| Qualified X (1.25) | 16,322.646 | 9.09 | 148,373 |
| Qualified XII (0.00) | 518.788 | 8.35 | 4,332 |
| Qualified XII (0.25) | 289.145 | 8.27 | 2,391 |
| Qualified XII (0.30) | 1,169.570 | 8.26 | 9,661 |
| Qualified XII (0.40) | 3,434.810 | 8.23 | 28,268 |
| Qualified XII (0.50) | 11,496.299 | 8.20 | 94,270 |
| Qualified XII (0.55) | 2,611.572 | 8.18 | 21,363 |
| Qualified XII (0.60) | 1,958.200 | 8.17 | 15,998 |
| Qualified XII (0.65) | 10,602.151 | 8.15 | 86,408 |
| Qualified XII (0.70) | 6,550.124 | 8.14 | 53,318 |
| Qualified XII (0.75) | 17,774.163 | 8.12 | 144,326 |
| Qualified XII (0.80) | 12,636.646 | 8.11 | 102,483 |
| Qualified XII (0.85) | 56,609.476 | 8.09 | 457,971 |
| Qualified XII (0.90) | 3,897.839 | 8.08 | 31,495 |
| Qualified XII (0.95) | 30,484.138 | 8.06 | 245,702 |
| Qualified XII (1.00) | 104,048.288 | 8.05 | 837,589 |
| Qualified XII (1.05) | 3,695.650 | 8.03 | 29,676 |
| Qualified XII (1.10) | 7,928.132 | 8.02 | 63,584 |
| Qualified XII (1.15) | 5,762.361 | 8.00 | 46,099 |
| Qualified XII (1.20) | 1,089.497 | 7.99 | 8,705 |
| Qualified XII (1.25) | 9,411.470 | 7.98 | 75,104 |
| Qualified XII (1.35) | 1,643.714 | 7.95 | 13,068 |
| Qualified XII (1.40) | 709.781 | 7.93 | 5,629 |
| Qualified XII (1.45) | 686.991 | 7.92 | 5,441 |
| Qualified XII (1.50) | 42.348 | 7.90 | 335 |
| Qualified XIII | 23.285 | 8.06 | 188 |
| Qualified XV | 4,415.484 | 8.06 | 35,589 |
| Qualified XVI | 7,287.272 | 7.90 | 57,569 |
| Qualified XVIII | 1,457.898 | 9.19 | 13,398 |
| Qualified XXV | 158.411 | 8.12 | 1,286 |
| Qualified XXVI | 17.005 | 8.08 | 137 |
| Qualified XXXII | 948.982 | 9.09 | 8,626 |
| Qualified XXXVIII | 5,306.700 | 5.87 | 31,150 |
| Qualified XLIII | 297.142 | 5.85 | 1,738 |
| Qualified LIII | 4,886.715 | 8.26 | 40,364 |
| Qualified LIV | 10,303.716 | 8.20 | 84,490 |
| Qualified LVI | 4,250.549 | 8.30 | 35,280 |
| | <u>577,686.275</u> | | <u>\$ 4,655,304</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| <u>Division/Contract</u> | <u>Units</u> | <u>Unit Value</u> | <u>Extended Value</u> |
|-------------------------------------------|------------------|-------------------|-----------------------|
| Oppenheimer MidCap Fund/VA | | | |
| Currently payable annuity contracts: | 3,741.553 | \$2.76 to \$5.50 | \$ 13,330 |
| Oppenheimer Strategic Bond Fund/VA | | | |
| Contracts in accumulation period: | | | |
| Qualified VI | 2,902.320 | \$ 13.83 | \$ 40,139 |
| Qualified XII (0.50) | 0.961 | 14.99 | 14 |
| Qualified XII (0.55) | 14.039 | 14.91 | 209 |
| Qualified XII (0.60) | 2.996 | 14.84 | 44 |
| Qualified XII (0.65) | 0.304 | 14.76 | 4 |
| Qualified XII (0.70) | 3,647.545 | 14.68 | 53,546 |
| Qualified XII (0.75) | 166.157 | 14.60 | 2,426 |
| Qualified XII (0.85) | 227.199 | 14.44 | 3,281 |
| Qualified XII (0.95) | 24.829 | 14.28 | 355 |
| Qualified XII (1.00) | 335.481 | 14.21 | 4,767 |
| Qualified XII (1.45) | 9.383 | 13.54 | 127 |
| | <u>7,331.214</u> | | <u>\$ 104,912</u> |
| Pax World Balanced Fund | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 8,284.429 | \$ 9.51 | \$ 78,785 |
| ING MAP PLUS NP1 | 11,392.794 | 9.80 | 111,649 |
| ING MAP PLUS NP8 | 27,328.717 | 9.63 | 263,176 |
| ING MAP PLUS NP9 | 12.745 | 9.61 | 122 |
| ING MAP PLUS NP11 | 14,249.087 | 9.56 | 136,221 |
| ING MAP PLUS NP12 | 15,632.759 | 9.54 | 149,137 |
| ING MAP PLUS NP14 | 7,793.562 | 9.49 | 73,961 |
| ING MAP PLUS NP15 | 472.733 | 9.47 | 4,477 |
| ING MAP PLUS NP16 | 1,481.401 | 9.45 | 13,999 |
| ING MAP PLUS NP17 | 509.566 | 9.42 | 4,800 |
| ING MAP PLUS NP18 | 1,386.247 | 9.40 | 13,031 |
| ING MAP PLUS NP19 | 8,299.673 | 9.38 | 77,851 |
| ING MAP PLUS NP22 | 471.539 | 9.31 | 4,390 |
| ING MAP PLUS NP23 | 451.393 | 9.29 | 4,193 |
| ING MAP PLUS NP24 | 126.888 | 9.26 | 1,175 |
| ING MAP PLUS NP25 | 1,959.867 | 9.24 | 18,109 |
| ING MAP PLUS NP26 | 1,918.618 | 9.22 | 17,690 |
| ING MAP PLUS NP28 | 715.147 | 9.17 | 6,558 |
| ING MAP PLUS NP30 | 2.565 | 9.13 | 23 |
| ING MAP PLUS NP32 | 197.618 | 9.08 | 1,794 |
| Qualified V | 260.121 | 8.77 | 2,281 |
| Qualified VI | 1,219,996.868 | 8.89 | 10,845,772 |
| Qualified XII (0.00) | 1,770.820 | 9.87 | 17,478 |
| Qualified XII (0.30) | 9,207.524 | 9.63 | 88,668 |
| Qualified XII (0.40) | 39,453.140 | 9.55 | 376,777 |
| Qualified XII (0.50) | 205,673.479 | 9.47 | 1,947,728 |
| Qualified XII (0.55) | 104,238.310 | 9.43 | 982,967 |
| Qualified XII (0.60) | 9,700.212 | 9.39 | 91,085 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--------------------------------------------|----------------------|-------------------|-----------------------|
| Pax World Balanced Fund (continued) | | | |
| Qualified XII (0.65) | 20,687.834 | \$ 9.35 | \$ 193,431 |
| Qualified XII (0.70) | 244,186.620 | 9.31 | 2,273,377 |
| Qualified XII (0.75) | 133,781.052 | 9.27 | 1,240,150 |
| Qualified XII (0.80) | 40,564.915 | 9.23 | 374,414 |
| Qualified XII (0.85) | 162,971.168 | 9.19 | 1,497,705 |
| Qualified XII (0.90) | 23,113.284 | 9.15 | 211,487 |
| Qualified XII (0.95) | 239,657.423 | 9.11 | 2,183,279 |
| Qualified XII (1.00) | 1,039,840.939 | 9.08 | 9,441,756 |
| Qualified XII (1.05) | 25,494.927 | 9.04 | 230,474 |
| Qualified XII (1.10) | 24,966.427 | 9.00 | 224,698 |
| Qualified XII (1.15) | 46,316.908 | 8.96 | 415,000 |
| Qualified XII (1.20) | 4,909.471 | 8.93 | 43,842 |
| Qualified XII (1.25) | 59,920.352 | 8.89 | 532,692 |
| Qualified XII (1.30) | 943.609 | 8.85 | 8,351 |
| Qualified XII (1.35) | 2,158.892 | 8.81 | 19,020 |
| Qualified XII (1.40) | 14,351.407 | 8.78 | 126,005 |
| Qualified XII (1.45) | 1,153.760 | 8.74 | 10,084 |
| Qualified XII (1.50) | 192.192 | 8.70 | 1,672 |
| Qualified XVI | 26,904.921 | 8.70 | 234,073 |
| Qualified XVII | 1,006.795 | 8.89 | 8,950 |
| Qualified XXI | 8,425.905 | 9.23 | 77,771 |
| Qualified XXV | 695.285 | 9.26 | 6,438 |
| Qualified XXVI | 1,507.496 | 9.15 | 13,794 |
| Qualified XXVII | 1,062,501.427 | 9.10 | 9,668,763 |
| Qualified XXXVIII | 4,332.755 | 6.91 | 29,939 |
| Qualified XLIII | 116.231 | 6.89 | 801 |
| Qualified LIII | 1,159.541 | 9.02 | 10,459 |
| Qualified LIV | 7,373.287 | 8.96 | 66,065 |
| Qualified LVI | 3,387.810 | 9.06 | 30,694 |
| | <u>4,895,610.455</u> | | <u>\$ 44,509,081</u> |

PIMCO Real Return Portfolio - Administrative Class

Contracts in accumulation period:

| | | | |
|----------------------|------------|----------|-----------|
| ING Custom Choice 62 | 2,894.942 | \$ 10.64 | \$ 30,802 |
| ING MAP PLUS NP8 | 2,045.614 | 10.46 | 21,397 |
| ING MAP PLUS NP9 | 27,142.133 | 10.45 | 283,635 |
| ING MAP PLUS NP10 | 215.182 | 10.44 | 2,247 |
| ING MAP PLUS NP11 | 14,149.511 | 10.42 | 147,438 |
| ING MAP PLUS NP13 | 848.519 | 10.39 | 8,816 |
| ING MAP PLUS NP15 | 167.329 | 10.37 | 1,735 |
| ING MAP PLUS NP16 | 5,545.959 | 10.35 | 57,401 |
| ING MAP PLUS NP19 | 757.287 | 10.31 | 7,808 |
| ING MAP PLUS NP21 | 52.835 | 10.28 | 543 |
| ING MAP PLUS NP22 | 397.482 | 10.27 | 4,082 |
| ING MAP PLUS NP23 | 1,772.381 | 10.26 | 18,185 |
| ING MAP PLUS NP24 | 306.146 | 10.24 | 3,135 |
| ING MAP PLUS NP26 | 59.375 | 10.22 | 607 |
| ING MAP PLUS NP29 | 13.957 | 10.17 | 142 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---------------------------------------------------------------------------|----------------------|-------------------|-----------------------|
| PIMCO Real Return Portfolio - Administrative Class (continued) | | | |
| Qualified VI | 1,327,095.427 | \$ 10.85 | \$ 14,398,985 |
| Qualified X (1.15) | 37,300.649 | 10.54 | 393,149 |
| Qualified X (1.25) | 152,363.283 | 10.50 | 1,599,814 |
| Qualified XII (0.00) | 24,274.615 | 11.50 | 279,158 |
| Qualified XII (0.05) | 196,768.963 | 11.48 | 2,258,908 |
| Qualified XII (0.25) | 877.775 | 11.37 | 9,980 |
| Qualified XII (0.30) | 17,789.174 | 11.34 | 201,729 |
| Qualified XII (0.35) | 1,243.343 | 11.31 | 14,062 |
| Qualified XII (0.40) | 173,753.818 | 11.29 | 1,961,681 |
| Qualified XII (0.50) | 413,594.924 | 11.23 | 4,644,671 |
| Qualified XII (0.55) | 41,952.988 | 11.21 | 470,293 |
| Qualified XII (0.60) | 16,697.267 | 11.18 | 186,675 |
| Qualified XII (0.65) | 18,274.276 | 11.16 | 203,941 |
| Qualified XII (0.70) | 65,949.225 | 11.13 | 734,015 |
| Qualified XII (0.75) | 226,275.889 | 11.10 | 2,511,662 |
| Qualified XII (0.80) | 134,508.759 | 11.08 | 1,490,357 |
| Qualified XII (0.85) | 239,599.552 | 11.05 | 2,647,575 |
| Qualified XII (0.90) | 38,860.850 | 11.03 | 428,635 |
| Qualified XII (0.95) | 258,943.913 | 11.00 | 2,848,383 |
| Qualified XII (1.00) | 1,714,639.984 | 10.97 | 18,809,601 |
| Qualified XII (1.05) | 27,192.249 | 10.95 | 297,755 |
| Qualified XII (1.10) | 40,344.652 | 10.92 | 440,564 |
| Qualified XII (1.15) | 40,013.794 | 10.90 | 436,150 |
| Qualified XII (1.20) | 6,534.827 | 10.87 | 71,034 |
| Qualified XII (1.25) | 80,142.153 | 10.85 | 869,542 |
| Qualified XII (1.30) | 281.811 | 10.82 | 3,049 |
| Qualified XII (1.35) | 1,576.608 | 10.80 | 17,027 |
| Qualified XII (1.40) | 11,391.376 | 10.77 | 122,685 |
| Qualified XII (1.45) | 314.076 | 10.75 | 3,376 |
| Qualified XII (1.50) | 4.288 | 10.72 | 46 |
| Qualified XV | 6,776.121 | 11.00 | 74,537 |
| Qualified XVI | 32,594.883 | 10.72 | 349,417 |
| Qualified XVII | 1,444.260 | 10.93 | 15,786 |
| Qualified XVIII | 10,477.899 | 10.61 | 111,171 |
| Qualified XXI | 10,579.236 | 11.08 | 117,218 |
| Qualified XXV | 8,099.278 | 11.12 | 90,064 |
| Qualified XXVI | 1,633.164 | 11.05 | 18,046 |
| Qualified XXVIII | 710,010.504 | 9.87 | 7,007,804 |
| Qualified XXXIII (0.65) | 1,763.405 | 10.93 | 19,274 |
| Qualified XXXVIII | 12,629.988 | 9.56 | 120,743 |
| Qualified XLIII | 1,328.770 | 9.53 | 12,663 |
| Qualified LIII | 16,119.817 | 10.34 | 166,679 |
| Qualified LIV | 16,657.625 | 10.28 | 171,240 |
| Qualified LVI | 18,382.482 | 10.39 | 190,994 |
| Qualified LIX | 1,296.629 | 11.32 | 14,678 |
| | <u>6,214,723.221</u> | | <u>\$ 67,422,789</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---------------------------------------------------------|--------------------|-------------------|-----------------------|
| Pioneer High Yield Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 103,291.491 | \$ 7.95 | \$ 821,167 |
| ING MAP PLUS NP4 | 8,740.241 | 7.89 | 68,961 |
| ING MAP PLUS NP6 | 26,273.462 | 7.86 | 206,509 |
| ING MAP PLUS NP8 | 25,654.780 | 7.82 | 200,620 |
| ING MAP PLUS NP9 | 26,820.573 | 7.80 | 209,200 |
| ING MAP PLUS NP10 | 12,894.607 | 7.78 | 100,320 |
| ING MAP PLUS NP11 | 14,364.375 | 7.76 | 111,468 |
| ING MAP PLUS NP12 | 226.718 | 7.74 | 1,755 |
| ING MAP PLUS NP13 | 88.949 | 7.72 | 687 |
| ING MAP PLUS NP14 | 5,444.449 | 7.70 | 41,922 |
| ING MAP PLUS NP15 | 19,747.892 | 7.68 | 151,664 |
| ING MAP PLUS NP16 | 5,382.364 | 7.66 | 41,229 |
| ING MAP PLUS NP17 | 10,963.562 | 7.65 | 83,871 |
| ING MAP PLUS NP18 | 9,818.773 | 7.63 | 74,917 |
| ING MAP PLUS NP19 | 19,312.037 | 7.61 | 146,965 |
| ING MAP PLUS NP20 | 7,428.628 | 7.59 | 56,383 |
| ING MAP PLUS NP21 | 7,369.077 | 7.57 | 55,784 |
| ING MAP PLUS NP22 | 5,573.217 | 7.55 | 42,078 |
| ING MAP PLUS NP23 | 1,190.880 | 7.53 | 8,967 |
| ING MAP PLUS NP24 | 1,610.342 | 7.52 | 12,110 |
| ING MAP PLUS NP25 | 723.632 | 7.50 | 5,427 |
| ING MAP PLUS NP26 | 7,586.508 | 7.48 | 56,747 |
| ING MAP PLUS NP27 | 444.365 | 7.46 | 3,315 |
| ING MAP PLUS NP28 | 5,640.929 | 7.44 | 41,969 |
| ING MAP PLUS NP29 | 437.220 | 7.42 | 3,244 |
| ING MAP PLUS NP30 | 621.371 | 7.41 | 4,604 |
| ING MAP PLUS NP32 | 651.018 | 7.37 | 4,798 |
| | <u>328,301.460</u> | | <u>\$ 2,556,681</u> |
| Pioneer Emerging Markets VCT Portfolio - Class I | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 1,687.139 | \$ 5.25 | \$ 8,857 |
| ING MAP PLUS NP11 | 2,949.323 | 5.30 | 15,631 |
| ING MAP PLUS NP13 | 85.994 | 5.29 | 455 |
| ING MAP PLUS NP15 | 19.386 | 5.28 | 102 |
| ING MAP PLUS NP18 | 2,164.778 | 5.26 | 11,387 |
| ING MAP PLUS NP24 | 11.401 | 5.24 | 60 |
| ING MAP PLUS NP25 | 292.503 | 5.23 | 1,530 |
| Qualified VI | 667,484.011 | 5.25 | 3,504,291 |
| Qualified XII (0.00) | 2,893.506 | 5.36 | 15,509 |
| Qualified XII (0.25) | 18,253.436 | 5.34 | 97,473 |
| Qualified XII (0.30) | 28,966.148 | 5.34 | 154,679 |
| Qualified XII (0.35) | 95.844 | 5.33 | 511 |
| Qualified XII (0.40) | 14,769.861 | 5.33 | 78,723 |
| Qualified XII (0.45) | 448.186 | 5.32 | 2,384 |
| Qualified XII (0.50) | 458,374.938 | 5.32 | 2,438,555 |
| Qualified XII (0.55) | 6,476.201 | 5.32 | 34,453 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| <u>Division/Contract</u> | <u>Units</u> | <u>Unit Value</u> | <u>Extended Value</u> |
|---------------------------------------------------------|----------------------|-------------------|-----------------------|
| Pioneer Emerging Markets VCT Portfolio - Class I | | | |
| (continued) | | | |
| Qualified XII (0.60) | 3,484.979 | \$ 5.31 | \$ 18,505 |
| Qualified XII (0.65) | 5,299.574 | 5.31 | 28,141 |
| Qualified XII (0.70) | 10,358.183 | 5.30 | 54,898 |
| Qualified XII (0.75) | 171,416.706 | 5.30 | 908,509 |
| Qualified XII (0.80) | 85,598.499 | 5.29 | 452,816 |
| Qualified XII (0.85) | 106,502.242 | 5.29 | 563,397 |
| Qualified XII (0.90) | 12,833.898 | 5.28 | 67,763 |
| Qualified XII (0.95) | 110,979.167 | 5.28 | 585,970 |
| Qualified XII (1.00) | 347,146.161 | 5.28 | 1,832,932 |
| Qualified XII (1.05) | 13,808.061 | 5.27 | 72,768 |
| Qualified XII (1.10) | 11,488.074 | 5.27 | 60,542 |
| Qualified XII (1.15) | 21,863.399 | 5.26 | 115,001 |
| Qualified XII (1.20) | 2,065.428 | 5.26 | 10,864 |
| Qualified XII (1.25) | 29,801.749 | 5.25 | 156,459 |
| Qualified XII (1.35) | 42.170 | 5.25 | 221 |
| Qualified XII (1.40) | 3,626.105 | 5.24 | 19,001 |
| Qualified XII (1.45) | 189.905 | 5.24 | 995 |
| Qualified XII (1.50) | 1,170.153 | 5.23 | 6,120 |
| Qualified XV | 1,766.780 | 5.28 | 9,329 |
| Qualified XVI | 11,169.780 | 5.23 | 58,418 |
| Qualified XVII | 1,417.110 | 5.26 | 7,454 |
| Qualified XXV | 19,955.203 | 5.31 | 105,962 |
| Qualified XXVI | 2,451.996 | 5.30 | 12,996 |
| Qualified XXXVIII | 9,162.194 | 4.13 | 37,840 |
| Qualified XLIII | 3,212.066 | 4.12 | 13,234 |
| Qualified LIII | 17,315.086 | 5.32 | 92,116 |
| Qualified LIV | 7,572.817 | 5.29 | 40,060 |
| Qualified LVI | 4,066.667 | 5.35 | 21,757 |
| Qualified LIX | 3,144.017 | 5.32 | 16,726 |
| | <u>2,223,880.824</u> | | <u>\$ 11,735,394</u> |
| Pioneer Equity Income VCT Portfolio - Class I | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXIII (0.65) | 4.889 | \$ 10.36 | \$ 51 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---------------------------------------------------|----------------------|-------------------|-----------------------|
| Pioneer High Yield VCT Portfolio - Class I | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 805.224 | \$ 7.91 | \$ 6,369 |
| Qualified V | 132.109 | 7.60 | 1,004 |
| Qualified VI | 403,225.906 | 7.66 | 3,088,710 |
| Qualified X (1.15) | 15,534.692 | 7.73 | 120,083 |
| Qualified X (1.25) | 30,426.964 | 7.70 | 234,288 |
| Qualified XII (0.00) | 151.366 | 8.12 | 1,229 |
| Qualified XII (0.25) | 717.516 | 8.02 | 5,754 |
| Qualified XII (0.30) | 42,786.822 | 8.00 | 342,295 |
| Qualified XII (0.35) | 91.241 | 7.98 | 728 |
| Qualified XII (0.40) | 11,733.783 | 7.97 | 93,518 |
| Qualified XII (0.50) | 9,881.221 | 7.93 | 78,358 |
| Qualified XII (0.55) | 9,686.662 | 7.91 | 76,622 |
| Qualified XII (0.60) | 37,619.918 | 7.89 | 296,821 |
| Qualified XII (0.65) | 6,544.507 | 7.87 | 51,505 |
| Qualified XII (0.70) | 16,192.401 | 7.85 | 127,110 |
| Qualified XII (0.75) | 19,205.230 | 7.84 | 150,569 |
| Qualified XII (0.80) | 14,913.962 | 7.82 | 116,627 |
| Qualified XII (0.85) | 55,748.856 | 7.80 | 434,841 |
| Qualified XII (0.90) | 26,037.062 | 7.78 | 202,568 |
| Qualified XII (0.95) | 85,880.293 | 7.76 | 666,431 |
| Qualified XII (1.00) | 589,305.111 | 7.75 | 4,567,115 |
| Qualified XII (1.05) | 23,034.091 | 7.73 | 178,054 |
| Qualified XII (1.10) | 10,612.921 | 7.71 | 81,826 |
| Qualified XII (1.15) | 18,956.078 | 7.69 | 145,772 |
| Qualified XII (1.20) | 2,519.658 | 7.67 | 19,326 |
| Qualified XII (1.25) | 26,321.735 | 7.66 | 201,624 |
| Qualified XII (1.35) | 344.955 | 7.62 | 2,629 |
| Qualified XII (1.40) | 5,727.988 | 7.60 | 43,533 |
| Qualified XII (1.45) | 994.447 | 7.58 | 7,538 |
| Qualified XII (1.50) | 515.513 | 7.57 | 3,902 |
| Qualified XV | 1,156.784 | 7.76 | 8,977 |
| Qualified XVI | 21,334.954 | 7.57 | 161,506 |
| Qualified XVIII | 1,126.602 | 7.78 | 8,765 |
| Qualified XXV | 2,277.843 | 7.85 | 17,881 |
| Qualified XXVI | 260.901 | 7.80 | 2,035 |
| Qualified XXXII | 208.918 | 7.70 | 1,609 |
| Qualified XXXVIII | 6,071.562 | 6.35 | 38,554 |
| Qualified LIII | 5,853.431 | 7.70 | 45,071 |
| Qualified LIV | 2,206.481 | 7.65 | 16,880 |
| Qualified LVI | 3,936.405 | 7.73 | 30,428 |
| | <u>1,510,082.113</u> | | <u>\$ 11,678,455</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--------------------------------------------|--------------------|-------------------|-----------------------|
| Premier VIT OpCap Mid Cap Portfolio | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 106.332 | \$ 5.64 | \$ 600 |
| ING MAP PLUS NP4 | 116.180 | 5.72 | 665 |
| ING MAP PLUS NP9 | 2,389.814 | 5.70 | 13,622 |
| ING MAP PLUS NP11 | 1,236.830 | 5.69 | 7,038 |
| ING MAP PLUS NP15 | 5,535.834 | 5.67 | 31,388 |
| ING MAP PLUS NP19 | 23.352 | 5.65 | 132 |
| Qualified VI | 96,249.429 | 5.64 | 542,847 |
| Qualified XII (0.00) | 225.903 | 5.76 | 1,301 |
| Qualified XII (0.25) | 954.402 | 5.74 | 5,478 |
| Qualified XII (0.30) | 12,541.520 | 5.73 | 71,863 |
| Qualified XII (0.40) | 605.493 | 5.72 | 3,463 |
| Qualified XII (0.50) | 66,908.846 | 5.71 | 382,050 |
| Qualified XII (0.55) | 1,328.788 | 5.71 | 7,587 |
| Qualified XII (0.65) | 1,876.074 | 5.70 | 10,694 |
| Qualified XII (0.70) | 2,384.837 | 5.69 | 13,570 |
| Qualified XII (0.75) | 14,997.306 | 5.69 | 85,335 |
| Qualified XII (0.80) | 3,871.599 | 5.68 | 21,991 |
| Qualified XII (0.85) | 47,134.298 | 5.68 | 267,723 |
| Qualified XII (0.90) | 1,095.568 | 5.67 | 6,212 |
| Qualified XII (0.95) | 18,803.286 | 5.67 | 106,615 |
| Qualified XII (1.00) | 131,573.140 | 5.66 | 744,704 |
| Qualified XII (1.05) | 2,233.094 | 5.66 | 12,639 |
| Qualified XII (1.10) | 830.336 | 5.65 | 4,691 |
| Qualified XII (1.15) | 3,795.988 | 5.65 | 21,447 |
| Qualified XII (1.20) | 47.055 | 5.65 | 266 |
| Qualified XII (1.25) | 4,007.541 | 5.64 | 22,603 |
| Qualified XII (1.35) | 202.330 | 5.63 | 1,139 |
| Qualified XII (1.40) | 33.638 | 5.63 | 189 |
| Qualified XV | 1,527.039 | 5.67 | 8,658 |
| Qualified XVI | 2,389.601 | 5.62 | 13,430 |
| Qualified XXI | 1,954.238 | 5.68 | 11,100 |
| Qualified XXV | 4,270.067 | 5.70 | 24,339 |
| Qualified XXVI | 1,862.107 | 5.69 | 10,595 |
| Qualified LIII | 1,763.288 | 5.72 | 10,086 |
| Qualified LIV | 1,381.234 | 5.68 | 7,845 |
| Qualified LVI | 334.101 | 5.74 | 1,918 |
| | <u>436,590.488</u> | | <u>\$ 2,475,823</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| <u>Division/Contract</u> | <u>Units</u> | <u>Unit Value</u> | <u>Extended Value</u> |
|---------------------------------------------------------------|--------------------|-------------------|-----------------------|
| RiverSource Diversified Equity Income Fund - Class R-4 | | | |
| Contracts in accumulation period: | | | |
| Qualified VI | 54,341.062 | \$ 6.17 | \$ 335,284 |
| Qualified XII (0.30) | 153.934 | 6.21 | 956 |
| Qualified XII (0.40) | 390.823 | 6.21 | 2,427 |
| Qualified XII (0.50) | 1,351.648 | 6.20 | 8,380 |
| Qualified XII (0.55) | 4,161.465 | 6.20 | 25,801 |
| Qualified XII (0.60) | 62.185 | 6.20 | 386 |
| Qualified XII (0.65) | 3,419.902 | 6.20 | 21,203 |
| Qualified XII (0.70) | 13.425 | 6.19 | 83 |
| Qualified XII (0.75) | 14,042.407 | 6.19 | 86,923 |
| Qualified XII (0.80) | 8,256.465 | 6.19 | 51,108 |
| Qualified XII (0.85) | 16,827.486 | 6.19 | 104,162 |
| Qualified XII (0.90) | 513.850 | 6.19 | 3,181 |
| Qualified XII (0.95) | 12,591.950 | 6.18 | 77,818 |
| Qualified XII (1.00) | 25,313.139 | 6.18 | 156,435 |
| Qualified XII (1.05) | 232.631 | 6.18 | 1,438 |
| Qualified XII (1.10) | 331.937 | 6.18 | 2,051 |
| Qualified XII (1.15) | 155.990 | 6.18 | 964 |
| Qualified XII (1.25) | 460.272 | 6.17 | 2,840 |
| Qualified XII (1.35) | 186.060 | 6.17 | 1,148 |
| Qualified XII (1.50) | 150.445 | 6.16 | 927 |
| Qualified XVI | 7,266.625 | 6.16 | 44,762 |
| Qualified XXI | 66,219.580 | 6.19 | 409,899 |
| Qualified XXV | 358.171 | 6.19 | 2,217 |
| Qualified XLIII | 186.627 | 6.20 | 1,157 |
| Qualified LIV | 19,701.905 | 6.19 | 121,955 |
| Qualified LVI | 3.388 | 6.21 | 21 |
| | <u>236,693.372</u> | | <u>\$ 1,463,526</u> |
| SMALLCAP World Fund® - Class R-4 | | | |
| Contracts in accumulation period: | | | |
| Qualified VI | 22,554.077 | \$ 5.45 | \$ 122,920 |
| Qualified XII (0.25) | 31.015 | 5.48 | 170 |
| Qualified XII (0.30) | 88.184 | 5.48 | 483 |
| Qualified XII (0.40) | 2,902.982 | 5.48 | 15,908 |
| Qualified XII (0.50) | 1,024.560 | 5.48 | 5,615 |
| Qualified XII (0.65) | 12.380 | 5.47 | 68 |
| Qualified XII (0.70) | 1,353.007 | 5.47 | 7,401 |
| Qualified XII (0.75) | 2,086.592 | 5.47 | 11,414 |
| Qualified XII (0.85) | 2,311.322 | 5.46 | 12,620 |
| Qualified XII (0.90) | 1,373.810 | 5.46 | 7,501 |
| Qualified XII (0.95) | 3,507.841 | 5.46 | 19,153 |
| Qualified XII (1.00) | 36,361.172 | 5.46 | 198,532 |
| Qualified XII (1.05) | 214.029 | 5.46 | 1,169 |
| Qualified XII (1.15) | 1,647.872 | 5.45 | 8,981 |
| Qualified XII (1.25) | 2,488.703 | 5.45 | 13,563 |
| Qualified XV | 48.668 | 5.46 | 266 |
| Qualified XVI | 464.562 | 5.44 | 2,527 |
| Qualified XXV | 321.846 | 5.47 | 1,761 |
| Qualified XLIII | 21.803 | 5.48 | 119 |
| Qualified LIV | 701.412 | 5.46 | 3,830 |
| | <u>79,515.837</u> | | <u>\$ 434,001</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| <u>Division/Contract</u> | <u>Units</u> | <u>Unit Value</u> | <u>Extended Value</u> |
|---------------------------------------------------|-------------------|-------------------|-----------------------|
| T. Rowe Price Mid-Cap Value Fund - R Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP8 | 7,114.880 | \$ 9.62 | \$ 68,445 |
| ING MAP PLUS NP9 | 5,053.246 | 9.59 | 48,461 |
| ING MAP PLUS NP11 | 12,382.249 | 9.55 | 118,250 |
| ING MAP PLUS NP12 | 759.843 | 9.52 | 7,234 |
| ING MAP PLUS NP14 | 21,607.098 | 9.48 | 204,835 |
| ING MAP PLUS NP15 | 230.887 | 9.45 | 2,182 |
| ING MAP PLUS NP19 | 4,500.369 | 9.36 | 42,123 |
| ING MAP PLUS NP20 | 19,046.092 | 9.34 | 177,891 |
| ING MAP PLUS NP21 | 161.583 | 9.32 | 1,506 |
| ING MAP PLUS NP22 | 2,214.702 | 9.29 | 20,575 |
| ING MAP PLUS NP27 | 492.621 | 9.18 | 4,522 |
| ING MAP PLUS NP28 | 311.517 | 9.16 | 2,854 |
| | <u>73,875.087</u> | | <u>\$ 698,878</u> |
| T. Rowe Price Value Fund - Advisor Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XII (1.00) | 6,428.155 | \$ 6.79 | \$ 43,647 |
| Templeton Foreign Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP8 | 4,950.260 | \$ 9.41 | \$ 46,582 |
| ING MAP PLUS NP9 | 1,191.917 | 9.39 | 11,192 |
| ING MAP PLUS NP11 | 12,144.671 | 9.34 | 113,431 |
| ING MAP PLUS NP12 | 2,745.716 | 9.32 | 25,590 |
| ING MAP PLUS NP14 | 428.209 | 9.28 | 3,974 |
| ING MAP PLUS NP16 | 23,840.832 | 9.23 | 220,051 |
| ING MAP PLUS NP17 | 1,676.567 | 9.21 | 15,441 |
| ING MAP PLUS NP18 | 11,307.165 | 9.19 | 103,913 |
| ING MAP PLUS NP20 | 1,409.984 | 9.14 | 12,887 |
| ING MAP PLUS NP21 | 6,445.859 | 9.12 | 58,786 |
| ING MAP PLUS NP22 | 1,194.199 | 9.10 | 10,867 |
| ING MAP PLUS NP26 | 483.694 | 9.01 | 4,358 |
| ING MAP PLUS NP28 | 3,134.950 | 8.96 | 28,089 |
| ING MAP PLUS NP32 | 263.721 | 8.88 | 2,342 |
| | <u>71,217.744</u> | | <u>\$ 657,503</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---------------------------------------------|----------------------|-------------------|-----------------------|
| Templeton Global Bond Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 15,690.813 | \$ 14.54 | \$ 228,144 |
| Qualified V | 19,443.099 | 14.20 | 276,092 |
| Qualified VI | 2,251,199.089 | 14.31 | 32,214,659 |
| Qualified XII (0.00) | 3,054.361 | 23.17 | 70,770 |
| Qualified XII (0.10) | 4.431 | 23.00 | 102 |
| Qualified XII (0.25) | 2,584.487 | 22.75 | 58,797 |
| Qualified XII (0.30) | 48,185.252 | 22.66 | 1,091,878 |
| Qualified XII (0.35) | 1,021.798 | 22.58 | 23,072 |
| Qualified XII (0.40) | 114,312.508 | 22.49 | 2,570,888 |
| Qualified XII (0.50) | 555,982.900 | 22.33 | 12,415,098 |
| Qualified XII (0.55) | 26,913.143 | 22.24 | 598,548 |
| Qualified XII (0.60) | 33,866.278 | 22.16 | 750,477 |
| Qualified XII (0.65) | 23,050.614 | 22.08 | 508,958 |
| Qualified XII (0.70) | 63,945.672 | 22.00 | 1,406,805 |
| Qualified XII (0.75) | 538,148.062 | 21.91 | 11,790,824 |
| Qualified XII (0.80) | 78,307.383 | 21.83 | 1,709,450 |
| Qualified XII (0.85) | 251,583.056 | 14.57 | 3,665,565 |
| Qualified XII (0.90) | 38,562.299 | 21.67 | 835,645 |
| Qualified XII (0.95) | 415,129.185 | 14.51 | 6,023,524 |
| Qualified XII (1.00) | 1,839,213.070 | 14.47 | 26,613,413 |
| Qualified XII (1.05) | 65,933.536 | 14.44 | 952,080 |
| Qualified XII (1.10) | 48,042.029 | 14.41 | 692,286 |
| Qualified XII (1.15) | 71,677.147 | 14.37 | 1,030,001 |
| Qualified XII (1.20) | 4,362.458 | 14.34 | 62,558 |
| Qualified XII (1.25) | 109,145.878 | 14.31 | 1,561,878 |
| Qualified XII (1.35) | 1,086.456 | 14.24 | 15,471 |
| Qualified XII (1.40) | 10,416.036 | 14.21 | 148,012 |
| Qualified XII (1.45) | 974.387 | 14.17 | 13,807 |
| Qualified XII (1.50) | 1,557.292 | 14.14 | 22,020 |
| Qualified XIII | 827.657 | 14.51 | 12,009 |
| Qualified XV | 5,261.535 | 14.51 | 76,345 |
| Qualified XVI | 61,334.987 | 14.14 | 867,277 |
| Qualified XVII | 4,981.611 | 14.42 | 71,835 |
| Qualified XXI | 24,062.883 | 14.61 | 351,559 |
| Qualified XXV | 26,308.065 | 14.66 | 385,676 |
| Qualified XXVI | 4,550.373 | 14.57 | 66,299 |
| Qualified XXXVIII | 29,681.540 | 10.62 | 315,218 |
| Qualified XLIII | 233.474 | 10.59 | 2,472 |
| Qualified LIII | 27,218.324 | 13.01 | 354,110 |
| Qualified LIV | 56,949.087 | 12.92 | 735,782 |
| Qualified LVI | 8,276.090 | 13.07 | 108,168 |
| Qualified LIX | 1,611.459 | 14.93 | 24,059 |
| | <u>6,884,689.804</u> | | <u>\$ 110,721,631</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---------------------------------------|-------------------|-------------------|-----------------------|
| Diversified Value Portfolio | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP8 | 7,226.880 | \$ 9.44 | \$ 68,222 |
| ING MAP PLUS NP28 | 1,275.423 | 9.01 | 11,492 |
| | <u>8,502.303</u> | | <u>\$ 79,714</u> |
| Equity Income Portfolio | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP11 | 9,715.185 | \$ 9.76 | \$ 94,820 |
| ING MAP PLUS NP14 | 263.703 | 9.69 | 2,555 |
| ING MAP PLUS NP15 | 3,615.562 | 9.67 | 34,962 |
| ING MAP PLUS NP23 | 1,951.294 | 9.49 | 18,518 |
| ING MAP PLUS NP28 | 1,468.149 | 9.38 | 13,771 |
| | <u>17,013.893</u> | | <u>\$ 164,626</u> |
| Small Company Growth Portfolio | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP8 | 597.506 | \$ 7.93 | \$ 4,738 |
| ING MAP PLUS NP13 | 1,639.194 | 7.84 | 12,851 |
| ING MAP PLUS NP14 | 2,717.991 | 7.82 | 21,255 |
| ING MAP PLUS NP15 | 72.249 | 7.80 | 564 |
| ING MAP PLUS NP28 | 3,269.386 | 7.57 | 24,749 |
| | <u>8,296.326</u> | | <u>\$ 64,157</u> |
| Wanger International | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 826.371 | \$ 5.63 | \$ 4,652 |
| ING MAP PLUS NP8 | 9,541.849 | 5.70 | 54,389 |
| ING MAP PLUS NP9 | 1,654.930 | 5.69 | 9,417 |
| ING MAP PLUS NP12 | 151.694 | 5.68 | 862 |
| ING MAP PLUS NP13 | 43.349 | 5.67 | 246 |
| ING MAP PLUS NP15 | 83.140 | 5.66 | 471 |
| ING MAP PLUS NP18 | 1,483.320 | 5.65 | 8,381 |
| Qualified VI | 196,246.288 | 5.63 | 1,104,867 |
| Qualified XII (0.00) | 106.734 | 5.75 | 614 |
| Qualified XII (0.10) | 94.948 | 5.74 | 545 |
| Qualified XII (0.25) | 275.166 | 5.72 | 1,574 |
| Qualified XII (0.30) | 6,520.733 | 5.72 | 37,299 |
| Qualified XII (0.40) | 5,298.820 | 5.71 | 30,256 |
| Qualified XII (0.50) | 408,172.311 | 5.70 | 2,326,582 |
| Qualified XII (0.55) | 5,342.340 | 5.70 | 30,451 |
| Qualified XII (0.65) | 1,375.105 | 5.69 | 7,824 |
| Qualified XII (0.70) | 6,648.625 | 5.68 | 37,764 |
| Qualified XII (0.75) | 141,151.681 | 5.68 | 801,742 |
| Qualified XII (0.80) | 23,373.492 | 5.67 | 132,528 |
| Qualified XII (0.85) | 62,225.347 | 5.67 | 352,818 |
| Qualified XII (0.90) | 2,310.133 | 5.66 | 13,075 |
| Qualified XII (0.95) | 25,579.309 | 5.66 | 144,779 |
| Qualified XII (1.00) | 237,476.922 | 5.65 | 1,341,745 |
| Qualified XII (1.05) | 6,418.607 | 5.65 | 36,265 |
| Qualified XII (1.10) | 3,047.681 | 5.64 | 17,189 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-----------------------------------------|----------------------|-------------------|-----------------------|
| Wanger International (continued) | | | |
| Qualified XII (1.15) | 7,871.876 | \$ 5.64 | \$ 44,397 |
| Qualified XII (1.20) | 2,122.817 | 5.63 | 11,951 |
| Qualified XII (1.25) | 8,775.412 | 5.63 | 49,406 |
| Qualified XII (1.30) | 0.712 | 5.62 | 4 |
| Qualified XII (1.40) | 88.938 | 5.62 | 500 |
| Qualified XII (1.50) | 1,374.824 | 5.61 | 7,713 |
| Qualified XV | 772.428 | 5.66 | 4,372 |
| Qualified XVI | 4,365.053 | 5.61 | 24,488 |
| Qualified XVII | 990.673 | 5.63 | 5,577 |
| Qualified XXI | 2,793.697 | 5.67 | 15,840 |
| Qualified XXV | 7,504.545 | 5.69 | 42,701 |
| Qualified XXVI | 1,127.963 | 5.68 | 6,407 |
| Qualified XXXVIII | 5,143.246 | 5.12 | 26,333 |
| Qualified XLIII | 132.483 | 5.11 | 677 |
| Qualified LIII | 1,678.946 | 5.71 | 9,587 |
| Qualified LIV | 10,463.081 | 5.67 | 59,326 |
| Qualified LVI | 304.433 | 5.73 | 1,744 |
| Qualified LIX | 2,057.246 | 5.70 | 11,726 |
| | <u>1,203,017.268</u> | | <u>\$ 6,819,084</u> |
| Wanger Select | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 1,422.773 | \$ 8.25 | \$ 11,738 |
| Qualified V | 25.612 | 7.94 | 203 |
| Qualified VI | 1,008,916.966 | 8.00 | 8,071,336 |
| Qualified X (1.15) | 31,462.384 | 8.34 | 262,396 |
| Qualified X (1.25) | 43,853.565 | 8.30 | 363,985 |
| Qualified XII (0.00) | 1,437.075 | 8.48 | 12,186 |
| Qualified XII (0.05) | 166,678.487 | 8.46 | 1,410,100 |
| Qualified XII (0.10) | 11.826 | 8.44 | 100 |
| Qualified XII (0.25) | 841.345 | 8.38 | 7,050 |
| Qualified XII (0.30) | 104,462.760 | 8.36 | 873,309 |
| Qualified XII (0.35) | 1,293.803 | 8.34 | 10,790 |
| Qualified XII (0.40) | 20,391.573 | 8.32 | 169,658 |
| Qualified XII (0.50) | 771,205.419 | 8.28 | 6,385,581 |
| Qualified XII (0.55) | 77,282.116 | 8.26 | 638,350 |
| Qualified XII (0.60) | 9,785.817 | 8.24 | 80,635 |
| Qualified XII (0.65) | 318,946.386 | 8.22 | 2,621,739 |
| Qualified XII (0.70) | 60,884.388 | 8.20 | 499,252 |
| Qualified XII (0.75) | 234,334.562 | 8.19 | 1,919,200 |
| Qualified XII (0.80) | 71,741.039 | 8.17 | 586,124 |
| Qualified XII (0.85) | 228,012.427 | 8.15 | 1,858,301 |
| Qualified XII (0.90) | 17,195.841 | 8.13 | 139,802 |
| Qualified XII (0.95) | 166,317.703 | 8.11 | 1,348,837 |
| Qualified XII (1.00) | 736,136.258 | 8.09 | 5,955,342 |
| Qualified XII (1.05) | 18,915.959 | 8.07 | 152,652 |
| Qualified XII (1.10) | 17,632.255 | 8.05 | 141,940 |
| Qualified XII (1.15) | 38,324.624 | 8.03 | 307,747 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|-----------------------------------|----------------------|-------------------|-----------------------|
| Wanger Select (continued) | | | |
| Qualified XII (1.20) | 3,397.122 | \$ 8.02 | \$ 27,245 |
| Qualified XII (1.25) | 44,493.618 | 8.00 | 355,949 |
| Qualified XII (1.30) | 602.504 | 7.98 | 4,808 |
| Qualified XII (1.35) | 180.039 | 7.96 | 1,433 |
| Qualified XII (1.40) | 5,239.139 | 7.94 | 41,599 |
| Qualified XII (1.45) | 148.179 | 7.92 | 1,174 |
| Qualified XII (1.50) | 789.327 | 7.90 | 6,236 |
| Qualified XV | 2,710.734 | 8.11 | 21,984 |
| Qualified XVI | 17,240.111 | 7.90 | 136,197 |
| Qualified XVII | 7.906 | 8.06 | 64 |
| Qualified XVIII | 4,785.536 | 8.40 | 40,199 |
| Qualified XXI | 13,330.541 | 8.17 | 108,911 |
| Qualified XXV | 18,931.409 | 8.20 | 155,238 |
| Qualified XXVI | 2,823.872 | 8.15 | 23,015 |
| Qualified XXXVIII | 20,090.226 | 4.82 | 96,835 |
| Qualified XLIII | 1,348.196 | 4.80 | 6,471 |
| Qualified LIII | 14,913.873 | 7.98 | 119,013 |
| Qualified LIV | 33,603.474 | 7.93 | 266,476 |
| Qualified LVI | 4,520.327 | 8.02 | 36,253 |
| Qualified LIX | 1,283.593 | 8.35 | 10,718 |
| | <u>4,337,952.689</u> | | <u>\$ 35,288,171</u> |
| Wanger USA | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 1,746.145 | \$ 8.54 | \$ 14,912 |
| Qualified V | 22.835 | 8.34 | 190 |
| Qualified VI | 427,875.544 | 8.40 | 3,594,155 |
| Qualified X (1.15) | 3,091.986 | 8.83 | 27,302 |
| Qualified X (1.25) | 20,388.572 | 8.80 | 179,419 |
| Qualified XII (0.05) | 35,740.556 | 8.88 | 317,376 |
| Qualified XII (0.10) | 24.493 | 8.86 | 217 |
| Qualified XII (0.25) | 395.885 | 8.80 | 3,484 |
| Qualified XII (0.30) | 54,767.712 | 8.78 | 480,861 |
| Qualified XII (0.40) | 21,375.568 | 8.74 | 186,822 |
| Qualified XII (0.50) | 153,558.144 | 8.70 | 1,335,956 |
| Qualified XII (0.55) | 18,327.425 | 8.68 | 159,082 |
| Qualified XII (0.60) | 8,507.469 | 8.66 | 73,675 |
| Qualified XII (0.65) | 29,735.608 | 8.64 | 256,916 |
| Qualified XII (0.70) | 45,113.014 | 8.62 | 388,874 |
| Qualified XII (0.75) | 73,553.576 | 8.60 | 632,561 |
| Qualified XII (0.80) | 13,156.703 | 8.58 | 112,885 |
| Qualified XII (0.85) | 115,161.562 | 8.56 | 985,783 |
| Qualified XII (0.90) | 4,954.343 | 8.54 | 42,310 |
| Qualified XII (0.95) | 59,082.892 | 8.52 | 503,386 |
| Qualified XII (1.00) | 495,853.629 | 8.50 | 4,214,756 |
| Qualified XII (1.05) | 4,083.737 | 8.48 | 34,630 |
| Qualified XII (1.10) | 15,976.338 | 8.46 | 135,160 |
| Qualified XII (1.15) | 13,781.547 | 8.44 | 116,316 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|----------------------------------------------------------------------------|----------------------|-------------------|-----------------------|
| Wanger USA (continued) | | | |
| Qualified XII (1.20) | 1,032.163 | \$ 8.42 | \$ 8,691 |
| Qualified XII (1.25) | 32,657.238 | 8.40 | 274,321 |
| Qualified XII (1.30) | 488.768 | 8.38 | 4,096 |
| Qualified XII (1.35) | 52.798 | 8.36 | 441 |
| Qualified XII (1.40) | 4,340.306 | 8.34 | 36,198 |
| Qualified XII (1.45) | 4,831.669 | 8.32 | 40,199 |
| Qualified XII (1.50) | 275.460 | 8.30 | 2,286 |
| Qualified XV | 386.681 | 8.52 | 3,295 |
| Qualified XVI | 13,763.243 | 8.30 | 114,235 |
| Qualified XVIII | 63.115 | 8.89 | 561 |
| Qualified XXI | 10,212.293 | 8.58 | 87,621 |
| Qualified XXV | 11,246.883 | 8.61 | 96,836 |
| Qualified XXVI | 2,498.564 | 8.56 | 21,388 |
| Qualified XXXVIII | 8,653.795 | 5.84 | 50,538 |
| Qualified XLIII | 87.961 | 5.83 | 513 |
| Qualified LIII | 681.175 | 7.89 | 5,374 |
| Qualified LIV | 16,919.389 | 7.84 | 132,648 |
| Qualified LVI | 2,888.854 | 7.93 | 22,909 |
| | <u>1,727,355.638</u> | | <u>\$ 14,699,178</u> |
| Washington Mutual Investors FundSM, Inc. - Class R-3 | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 21,121.234 | \$ 9.05 | \$ 191,147 |
| ING MAP PLUS NP6 | 2,059.829 | 8.94 | 18,415 |
| ING MAP PLUS NP8 | 5,313.444 | 8.90 | 47,290 |
| ING MAP PLUS NP9 | 43,421.249 | 8.87 | 385,146 |
| ING MAP PLUS NP11 | 42,506.890 | 8.83 | 375,336 |
| ING MAP PLUS NP12 | 5,536.141 | 8.81 | 48,773 |
| ING MAP PLUS NP13 | 87.601 | 8.79 | 770 |
| ING MAP PLUS NP14 | 79,788.009 | 8.77 | 699,741 |
| ING MAP PLUS NP15 | 64,539.288 | 8.74 | 564,073 |
| ING MAP PLUS NP16 | 16,867.487 | 8.72 | 147,084 |
| ING MAP PLUS NP17 | 15,133.078 | 8.70 | 131,658 |
| ING MAP PLUS NP18 | 9,234.194 | 8.68 | 80,153 |
| ING MAP PLUS NP19 | 6,315.890 | 8.66 | 54,696 |
| ING MAP PLUS NP20 | 78,929.421 | 8.64 | 681,950 |
| ING MAP PLUS NP21 | 17,697.422 | 8.62 | 152,552 |
| ING MAP PLUS NP22 | 13,865.781 | 8.59 | 119,107 |
| ING MAP PLUS NP23 | 20.480 | 8.57 | 176 |
| ING MAP PLUS NP24 | 405.843 | 8.55 | 3,470 |
| ING MAP PLUS NP26 | 744.865 | 8.51 | 6,339 |
| ING MAP PLUS NP27 | 444.664 | 8.49 | 3,775 |
| ING MAP PLUS NP28 | 7,888.630 | 8.47 | 66,817 |
| ING MAP PLUS NP29 | 12,694.854 | 8.45 | 107,272 |
| ING MAP PLUS NP30 | 2,677.539 | 8.43 | 22,572 |
| ING MAP PLUS NP32 | 307.486 | 8.39 | 2,580 |
| | <u>447,601.319</u> | | <u>\$ 3,910,892</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|----------------------------------------------------------------------------|----------------------|-------------------|-----------------------|
| Washington Mutual Investors FundSM, Inc. - Class R-4 | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 7,367.138 | \$ 8.91 | \$ 65,641 |
| Qualified V | 3,320.319 | 8.66 | 28,754 |
| Qualified VI | 1,928,971.628 | 8.72 | 16,820,633 |
| Qualified XII (0.00) | 1,205.842 | 9.25 | 11,154 |
| Qualified XII (0.25) | 183.979 | 9.14 | 1,682 |
| Qualified XII (0.30) | 154,598.736 | 9.12 | 1,409,940 |
| Qualified XII (0.40) | 52,508.841 | 9.07 | 476,255 |
| Qualified XII (0.50) | 58,253.539 | 9.03 | 526,029 |
| Qualified XII (0.55) | 36,208.913 | 9.01 | 326,242 |
| Qualified XII (0.60) | 66,476.825 | 8.99 | 597,627 |
| Qualified XII (0.65) | 40,223.375 | 8.97 | 360,804 |
| Qualified XII (0.70) | 86,039.924 | 8.95 | 770,057 |
| Qualified XII (0.75) | 284,358.058 | 8.93 | 2,539,317 |
| Qualified XII (0.80) | 841,888.490 | 8.91 | 7,501,226 |
| Qualified XII (0.85) | 342,968.343 | 8.89 | 3,048,989 |
| Qualified XII (0.90) | 73,847.947 | 8.86 | 654,293 |
| Qualified XII (0.95) | 317,989.005 | 8.84 | 2,811,023 |
| Qualified XII (1.00) | 1,086,016.528 | 8.82 | 9,578,666 |
| Qualified XII (1.05) | 41,856.664 | 8.80 | 368,339 |
| Qualified XII (1.10) | 74,632.902 | 8.78 | 655,277 |
| Qualified XII (1.15) | 60,152.830 | 8.76 | 526,939 |
| Qualified XII (1.20) | 29,780.406 | 8.74 | 260,281 |
| Qualified XII (1.25) | 169,986.133 | 8.72 | 1,482,279 |
| Qualified XII (1.35) | 5,578.145 | 8.68 | 48,418 |
| Qualified XII (1.40) | 18,178.268 | 8.66 | 157,424 |
| Qualified XII (1.45) | 1,528.828 | 8.64 | 13,209 |
| Qualified XII (1.50) | 148.666 | 8.62 | 1,282 |
| Qualified XIII | 104.201 | 8.84 | 921 |
| Qualified XV | 4,706.114 | 8.84 | 41,602 |
| Qualified XVI | 40,290.491 | 8.62 | 347,304 |
| Qualified XVII | 12,502.889 | 8.79 | 109,900 |
| Qualified XXV | 15,865.566 | 8.94 | 141,838 |
| Qualified XXVI | 1,126.332 | 8.89 | 10,013 |
| Qualified XXVII | 1,016,204.626 | 8.43 | 8,566,605 |
| Qualified XXXVIII | 22,899.963 | 6.45 | 147,705 |
| Qualified XLIII | 176.966 | 6.43 | 1,138 |
| Qualified LIII | 5,644.562 | 8.68 | 48,995 |
| Qualified LIV | 48,155.350 | 8.62 | 415,099 |
| Qualified LVI | 8,135.106 | 8.72 | 70,938 |
| Qualified LIX | 18.334 | 9.10 | 167 |
| | <u>6,960,100.772</u> | | <u>\$ 60,944,005</u> |
| Wells Fargo Advantage Small Cap Value Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| Qualified XII (1.00) | 6,502.914 | \$ 7.12 | \$ 46,301 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

ING MAP PLUS

Group contracts issued in connection with ING MAP Plus NP, shown separately for differing daily asset charges.

Qualified I

Individual Contracts issued prior to May 1, 1975 in connection with "Qualified Corporate Retirement Plans" established pursuant to Section 401 of the Internal Revenue Code ("Code"); tax-deferred annuity plans established by the public school systems and tax-exempt organizations pursuant to Section 403(b) of the Code, and certain individual retirement annuity plans established by or on behalf of individuals pursuant to Section 408(b) of the Code; individual Contracts issued prior to November 1, 1975 in connection with "H.R. 10 Plans" established by persons entitled to the benefits of the Self-Employed Individuals Tax Retirement Act of 1962, as amended; allocated group Contracts issued prior to May 1, 1975 in connection with qualified corporate retirement plans; and group Contracts issued prior to October 1, 1978 in connection with tax-deferred annuity plans.

Qualified V

Certain group AetnaPlus Contracts issued since August 28, 1992 in connection with "Optional Retirement Plans" established pursuant to Section 403(b) or 401(a) of the Internal Revenue Code.

Qualified VI

Certain group AetnaPlus Contracts issued in connection with tax-deferred annuity plans, Retirement Plus plans and deferred compensation plans since August 28, 1992.

Qualified VII

Certain existing Contracts that were converted to ACES, an administrative system (previously valued under Qualified I).

Qualified VIII

Group AetnaPlus Contracts issued in connection with Tax-Deferred Annuity Plans and Deferred Compensation Plans adopted by state and local governments since June 30, 1993.

Qualified IX

Certain large group Contracts (Jumbo) that were converted to ACES, an administrative system (previously valued under Qualified VI).

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Qualified X

Individual retirement annuity and Simplified Employee Pension (“SEP”) plans issued or converted to ACES, an administrative system.

Qualified XII

Group Retirement Plus and Voluntary TDA Contracts issued since 1996 in connection with plans established pursuant to Section 403(b) or 401(a) of the Internal Revenue Code, shown separately by applicable daily charge; and Contracts issued since October 1, 1996 in connection with optional retirement plans established pursuant to Section 403(b) or 403(a) of the Internal Revenue Code.

Qualified XV

Certain existing Contracts issued in connection with deferred compensation plans issued through product exchange on December 16, 1996 (previously valued under Qualified VI), and new Contracts issued after that date in connection with certain deferred compensation plans.

Qualified XVI

Group AetnaPlus Contracts assessing an administrative expense charge effective April 7, 1997 issued in connection with tax-deferred annuity plans, Retirement Plus plans and deferred compensation plans.

Qualified XVII

Group AetnaPlus Contracts containing contractual limits on fees issued in connection with tax-deferred annuity plans and deferred compensation plans, which resulted in reduced daily charges for certain funding options effective May 29, 1997.

Qualified XVIII

Individual retirement annuity and SEP plan Contracts containing contractual limits on fees, which resulted in reduced daily charges for certain funding options effective May 29, 1997.

Qualified XIX

Group Corporate 401 Contracts containing contractual limits on fees, which resulted in reduced daily charges for certain funding options effective May 29, 1997.

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Qualified XX

Group HR 10 Contracts containing contractual limits on fees, which resulted in reduced daily charges for certain funding options effective May 29, 1997.

Qualified XXI

Certain existing Contracts issued in connection with deferred compensation plans having Contract modifications effective May 20, 1999.

Qualified XXII

Certain existing Contracts issued in connection with deferred compensation plans having Contract modifications effective May 20, 1999.

Qualified XXV

Group Contracts issued in connection with Aetna Government Custom Choice plans having Contract modifications effective October 2000 to lower mortality and expense fee.

Qualified XXVI

Group Contracts issued in connection with Aetna Government Custom Choice plans having Contract modifications effective October 2000 to lower mortality and expense fee.

Qualified XXVII

Group Contracts issued in connection with tax deferred annuity plans having Contract modifications effective February 2000 to lower mortality and expense fee.

Qualified XXVIII

Group Contracts issued in connection with optional retirement plans having Contract modifications effective February 2000 to lower mortality and expense fee.

Qualified XXIX

Individual Contracts issued in connection with tax-deferred annuity plans and individual retirement annuity plans since May 1, 1975, H.R. 10 Plans since November 1, 1975, group Contracts issued since October 1, 1978 in connection with tax-deferred annuity plans and group Contracts issued since May 1, 1979 in connection with deferred compensation plans adopted by state and local governments and H.R. 10 Plans.

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Qualified XXX

Individual Contracts issued in connection with tax-deferred annuity plans and individual retirement annuity plans since May 1, 1975, H.R. 10 Plans since November 1, 1975, group Contracts issued since October 1, 1978 in connection with tax-deferred annuity plans and group Contracts issued since May 1, 1979 in connection with deferred compensation plans adopted by state and local governments and H.R. 10 Plans.

Qualified XXXI

Group Contracts issued in connection with the San Bernadino 457(f) Plan at a zero basis point charge, effective in 2004.

Qualified XXXII

Individual Contracts issued in connection with the 1992/1994 Pension IRA at 125 basis points, effective in 2004.

Qualified XXXIII

Group Contracts issued in connection with Multiple Sponsored Retirement Options product at 40 and 65 basis points.

Qualified XXXV

Group Contracts issued in connection with Multiple Sponsored Retirement Options product at 35 basis points.

Qualified XXXVI

Group Contracts issued in connection with Multiple Sponsored Retirement Options product at 55 and 80 basis points.

Qualified XXXVII

Group Contracts issued in connection with ING Retirement Plus and ING Voluntary TDA products at a zero basis point charge.

Qualified L

Group Contracts issued in connection with Education Custom Choice 457, ING Retirement Plus and ING Voluntary TDA products at a zero basis point charge.

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Qualified LIII

Group Contracts issued in connection with ING Custom Choice Original and Value product at 45 basis point charge.

Qualified LIV

Group Contracts issued in connection with ING Custom Choice Original and Value product at 80 basis point charge.

Qualified LV

Group Contracts issued in connection with ING Custom Choice Original and Value product at 30 basis point charge.

Qualified LVI

Group Contracts issued in connection with ING Custom Choice Original and Value product at 25 basis point charge.

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10. Financial Highlights

A summary of unit values, units outstanding and net assets for variable annuity Contracts, expense ratios, excluding expenses of underlying funds, investment income ratios, and total return for the years ended December 31, 2008, 2007, 2006, 2005 and 2004, follows:

| | Units* (000's) | Unit Fair Value (lowest to highest) | Net Assets (000's) | Investment Income Ratio^A | Expense Ratio^B (lowest to highest) | Total Return^C (lowest to highest) |
|-------------------------------------------------------------|---------------------------------|------------------------------------------------------|-------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------|
| AIM Mid Cap Core Equity Fund - Class A | | | | | | |
| 2008 | 23 | \$9.81 to \$11.62 | \$232 | 0.80% | 0.30% to 1.60% | -28.60% to -27.91% |
| 2007 | 19 | \$13.74 to \$16.18 | \$270 | 1.19% | 0.65% to 1.60% | 8.75% to 9.19% |
| 2006 | 18 | \$12.67 to \$14.87 | \$234 | 0.76% | 0.65% to 1.70% | 9.99% to 10.40% |
| 2005 | 16 | \$11.62 to \$13.52 | \$188 | - | 0.65% to 1.60% | 5.73% to 6.77% |
| 2004 | 18 | \$10.99 to \$11.08 | \$196 | (a) | 0.65% to 1.60% | (a) |
| AIM Small Cap Growth Fund - Class A | | | | | | |
| 2008 | 2 | \$8.69 | \$20 | - | 1.00% | -39.40% |
| 2007 | 2 | \$14.34 | \$34 | - | 1.00% | 10.22% |
| 2006 | 1 | \$13.01 | \$17 | - | 1.00% | 13.23% |
| 2005 | 1 | \$11.49 | \$8 | 0.25% | 1.00% | 7.18% |
| 2004 | - | \$10.72 | - | - | 1.00% | - |
| AIM Global Health Care Fund - Investor Class | | | | | | |
| 2008 | 5 | \$24.42 to \$25.33 | \$122 | - | 0.55% to 1.60% | -29.52% to -28.79% |
| 2007 | 4 | \$34.39 to \$35.57 | \$144 | - | 0.65% to 2.00% | 9.62% to 10.12% |
| 2006 | 4 | \$31.61 to \$31.99 | \$114 | - | 0.90% to 1.70% | 3.36% to 3.43% |
| 2005 | 2 | \$30.81 to \$30.93 | \$68 | (b) | 0.90% to 1.65% | (b) |
| 2004 | (b) | (b) | (b) | (b) | (b) | (b) |
| AIM V.I. Capital Appreciation Fund - Series I Shares | | | | | | |
| 2008 | 2,795 | \$4.01 to \$8.14 | \$17,871 | - | 0.00% to 1.50% | -43.39% to -42.52% |
| 2007 | 2,976 | \$7.08 to \$14.33 | \$33,456 | - | 0.00% to 1.50% | 10.28% to 11.95% |
| 2006 | 3,257 | \$6.42 to \$12.36 | \$32,996 | 0.07% | 0.00% to 1.50% | 4.72% to 6.35% |
| 2005 | 2,001 | \$6.22 to \$11.61 | \$19,374 | 0.06% | 0.00% to 1.50% | 0.10% to 8.80% |
| 2004 | 2,282 | \$5.77 to \$10.80 | \$20,524 | - | 0.00% to 1.50% | 4.97% to 14.62% |

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| | Units* (000's) | Unit Fair Value (lowest to highest) | Net Assets (000's) | Investment Income Ratio^A | Expense Ratio^B (lowest to highest) | Total Return^C (lowest to highest) |
|----------------------------------------------------------|---------------------------------|------------------------------------------------------|-------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------|
| AIM V.I. Core Equity Fund - Series I Shares | | | | | | |
| 2008 | 4,319 | \$5.93 to \$10.25 | \$31,654 | 2.26% | 0.00% to 1.95% | -31.20% to -30.12% |
| 2007 | 4,536 | \$8.58 to \$14.75 | \$48,225 | 1.11% | 0.00% to 1.50% | 6.45% to 8.04% |
| 2006 | 5,005 | \$8.01 to \$13.60 | \$49,719 | 0.66% | 0.00% to 1.50% | 15.02% to 16.80% |
| 2005 | 3,691 | \$6.93 to \$11.81 | \$31,783 | 1.36% | 0.00% to 1.50% | 3.66% to 5.23% |
| 2004 | 4,620 | \$6.65 to \$11.18 | \$38,313 | 0.91% | 0.00% to 1.50% | 7.32% to 38.44% |
| AllianceBernstein Growth and Income Fund, Inc. - Class A | | | | | | |
| 2008 | 19 | \$7.62 to \$7.94 | \$146 | 2.26% | 0.70% to 1.55% | -41.57% to -41.19% |
| 2007 | 9 | \$13.01 to \$13.50 | \$120 | 1.08% | 0.70% to 1.65% | 3.75% to 4.39% |
| 2006 | 5 | \$12.54 to \$12.76 | \$65 | 1.35% | 1.05% to 1.65% | 15.48% to 15.48% |
| 2005 | 4 | \$10.98 to \$10.99 | \$42 | (f) | 1.20% to 1.25% | (f) |
| 2004 | 2 | \$10.75 | \$22 | (a) | 0.95% | (a) |
| AllianceBernstein Growth and Income Portfolio - Class A | | | | | | |
| 2008 | 45 | \$8.20 to \$8.30 | \$371 | 2.17% | 1.00% to 1.25% | -41.39% to -41.18% |
| 2007 | 46 | \$13.99 to \$14.11 | \$645 | 1.66% | 1.00% to 1.25% | 3.78% to 4.06% |
| 2006 | 41 | \$13.48 to \$13.56 | \$557 | 1.74% | 1.00% to 1.25% | 15.91% to 15.97% |
| 2005 | 22 | \$11.63 to \$11.65 | \$260 | 1.29% | 1.15% to 1.25% | 3.56% |
| 2004 | 4 | \$11.23 | \$50 | (a) | 1.25% | (a) |
| Allianz NFJ Large-Cap Value Fund - Institutional Class | | | | | | |
| 2008 | 95 | \$6.09 to \$6.14 | \$580 | (e) | 0.00% to 1.25% | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2006 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2005 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2004 | (e) | (e) | (e) | (e) | (e) | (e) |
| Allianz NFJ Small-Cap Value Fund - Class A | | | | | | |
| 2008 | 29 | \$11.64 to \$12.02 | \$336 | 1.27% | 0.55% to 1.20% | -27.34% to -27.09% |
| 2007 | 28 | \$16.02 to \$16.30 | \$454 | 1.93% | 0.75% to 1.20% | 4.84% to 5.30% |
| 2006 | 31 | \$15.28 to \$15.50 | \$477 | 1.87% | 0.70% to 1.20% | 17.18% to 17.59% |
| 2005 | 30 | \$13.04 to \$13.14 | \$398 | 3.10% | 0.80% to 1.20% | 9.33% |
| 2004 | 4 | \$12.00 | \$53 | (a) | 0.90% | (a) |

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| | Units* (000's) | Unit Fair Value (lowest to highest) | Net Assets (000's) | Investment Income Ratio^A | Expense Ratio^B (lowest to highest) | Total Return^C (lowest to highest) |
|------------------------------------------------------------|---------------------------------|------------------------------------------------------|-------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------|
| Amana Growth Fund | | | | | | |
| 2008 | 5 | \$7.36 | \$36 | (e) | 0.05% | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2006 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2005 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2004 | (e) | (e) | (e) | (e) | (e) | (e) |
| Amana Income Fund | | | | | | |
| 2008 | 6 | \$8.12 | \$46 | (e) | 0.05% | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2006 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2005 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2004 | (e) | (e) | (e) | (e) | (e) | (e) |
| American Balanced Fund® - Class R-3 | | | | | | |
| 2008 | 439 | \$8.96 to \$9.59 | \$4,066 | 2.93% | 0.00% to 1.40% | -26.93% to -25.95% |
| 2007 | 506 | \$12.24 to \$12.95 | \$6,361 | 2.43% | 0.00% to 1.45% | 4.70% to 5.95% |
| 2006 | 422 | \$11.66 to \$12.12 | \$5,014 | 2.18% | 0.20% to 1.55% | 9.69% to 11.20% |
| 2005 | 340 | \$10.63 to \$10.89 | \$3,656 | 2.07% | 0.25% to 1.55% | 1.43% to 2.54% |
| 2004 | 120 | \$10.50 to \$10.61 | \$1,269 | (a) | 0.30% to 1.45% | (a) |
| American Century Income & Growth Fund - A Class | | | | | | |
| 2008 | 484 | \$7.64 to \$23.62 | \$3,705 | 1.55% | 1.00% | -35.46% to -35.42% |
| 2007 | 471 | \$11.83 to \$36.60 | \$5,597 | 1.28% | 1.00% to 1.10% | -1.62% to -1.50% |
| 2006 | 495 | \$12.01 to \$37.17 | \$5,990 | 1.59% | 1.00% to 1.10% | 15.59% to 15.70% |
| 2005 | 539 | \$10.38 to \$31.95 | \$5,629 | 1.78% | 1.00% to 1.10% | 3.36% to 3.49% |
| 2004 | 433 | \$10.03 to \$30.91 | \$4,389 | 1.83% | 1.00% to 1.10% | 11.51% to 11.57% |
| Ariel Appreciation Fund | | | | | | |
| 2008 | 57 | \$6.63 to \$7.09 | \$395 | 0.62% | 0.75% to 2.10% | -41.99% to -41.32% |
| 2007 | 49 | \$11.43 to \$11.96 | \$578 | 0.50% | 0.95% to 2.10% | -3.27% to -2.29% |
| 2006 | 52 | \$11.91 to \$12.24 | \$629 | 0.05% | 0.95% to 1.90% | 8.87% to 9.87% |
| 2005 | 35 | \$10.94 to \$11.16 | \$394 | 0.34% | 0.85% to 1.90% | 1.47% to 2.01% |
| 2004 | 18 | \$10.88 to \$10.94 | \$192 | (a) | 0.85% to 1.40% | (a) |

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| | Units* | Unit Fair Value | | | Net Assets | Investment | Expense Ratio ^B | | | Total Return ^C | | |
|-----------------------------------------------------------|---------|---------------------|-----|---------|------------|---------------------------|----------------------------|-----|-------|---------------------------|----|---------|
| | (000's) | (lowest to highest) | | | (000's) | Income Ratio ^A | (lowest to highest) | | | (lowest to highest) | | |
| Ariel Fund | | | | | | | | | | | | |
| 2008 | 101 | \$6.14 | to | \$6.51 | \$638 | 1.36% | 0.60% | to | 1.80% | -49.17% | to | -48.54% |
| 2007 | 68 | \$11.93 | to | \$12.65 | \$838 | 0.40% | 0.60% | to | 2.10% | -3.52% | to | -2.40% |
| 2006 | 52 | \$12.51 | to | \$12.91 | \$660 | - | 0.70% | to | 1.80% | 8.48% | to | 9.22% |
| 2005 | 46 | \$11.56 | to | \$11.73 | \$537 | 0.58% | 0.95% | to | 1.70% | -0.43% | to | -0.34% |
| 2004 | 13 | \$11.66 | to | \$11.70 | \$154 | (a) | 1.25% | to | 1.60% | | | (a) |
| Artisan International Fund - Investor Shares | | | | | | | | | | | | |
| 2008 | 57 | \$5.55 | to | \$5.82 | \$324 | (e) | 0.00% | to | 1.50% | | | (e) |
| 2007 | (e) | | (e) | | (e) | (e) | | (e) | | | | (e) |
| 2006 | (e) | | (e) | | (e) | (e) | | (e) | | | | (e) |
| 2005 | (e) | | (e) | | (e) | (e) | | (e) | | | | (e) |
| 2004 | (e) | | (e) | | (e) | (e) | | (e) | | | | (e) |
| The Bond Fund of America SM , Inc. - Class R-4 | | | | | | | | | | | | |
| 2008 | 222 | \$8.68 | to | \$8.77 | \$1,929 | (e) | 0.00% | to | 1.50% | | | (e) |
| 2007 | (e) | | (e) | | (e) | (e) | | (e) | | | | (e) |
| 2006 | (e) | | (e) | | (e) | (e) | | (e) | | | | (e) |
| 2005 | (e) | | (e) | | (e) | (e) | | (e) | | | | (e) |
| 2004 | (e) | | (e) | | (e) | (e) | | (e) | | | | (e) |
| Calvert Social Balanced Portfolio | | | | | | | | | | | | |
| 2008 | 2,367 | \$6.80 | to | \$22.80 | \$35,890 | 2.51% | 0.00% | to | 1.95% | -32.37% | to | -31.38% |
| 2007 | 2,618 | \$12.00 | to | \$33.54 | \$59,468 | 2.34% | 0.00% | to | 1.50% | 1.21% | to | 2.75% |
| 2006 | 2,925 | \$11.75 | to | \$32.97 | \$65,397 | 2.25% | 0.00% | to | 1.50% | 7.14% | to | 8.80% |
| 2005 | 3,274 | \$11.39 | to | \$30.61 | \$66,533 | 1.77% | 0.00% | to | 1.50% | 4.07% | to | 5.61% |
| 2004 | 3,412 | \$10.91 | to | \$29.27 | \$66,170 | 1.71% | 0.00% | to | 1.50% | 6.63% | to | 8.01% |
| Columbia SM Acorn Fund® - Class Z | | | | | | | | | | | | |
| 2008 | 126 | \$6.34 | to | \$6.39 | \$807 | (e) | 0.00% | to | 1.25% | | | (e) |
| 2007 | (e) | | (e) | | (e) | (e) | | (e) | | | | (e) |
| 2006 | (e) | | (e) | | (e) | (e) | | (e) | | | | (e) |
| 2005 | (e) | | (e) | | (e) | (e) | | (e) | | | | (e) |
| 2004 | (e) | | (e) | | (e) | (e) | | (e) | | | | (e) |

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| | Units* (000's) | Unit Fair Value (lowest to highest) | Net Assets (000's) | Investment Income Ratio^A | Expense Ratio^B (lowest to highest) | Total Return^C (lowest to highest) |
|---------------------------------------|---------------------------------|------------------------------------------------------|-------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------|
| Columbia Mid Cap Value Fund - Class A | | | | | | |
| 2008 | 258 | \$6.07 to \$6.13 | \$1,575 | (e) | 0.00% to 1.55% | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2006 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2005 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2004 | (e) | (e) | (e) | (e) | (e) | (e) |
| Columbia Mid Cap Value Fund - Class Z | | | | | | |
| 2008 | 91 | \$6.11 to \$6.14 | \$561 | (e) | 0.00% to 0.80% | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2006 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2005 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2004 | (e) | (e) | (e) | (e) | (e) | (e) |
| DWS Equity 500 Index Fund - Class S | | | | | | |
| 2008 | 18 | \$9.51 | \$168 | 2.02% | 1.00% | -37.72% |
| 2007 | 15 | \$15.27 | \$228 | 2.03% | 1.00% | 4.30% |
| 2006 | 11 | \$14.64 | \$167 | 1.85% | 1.00% | 14.46% |
| 2005 | 5 | \$12.79 | \$66 | - | 1.00% | 3.65% |
| 2004 | - | \$12.34 | \$2 | (a) | 1.00% | (a) |
| EuroPacific Growth Fund® - Class R-3 | | | | | | |
| 2008 | 622 | \$10.99 to \$11.98 | \$7,252 | 1.89% | 0.00% to 1.75% | -41.76% to -40.69% |
| 2007 | 486 | \$18.87 to \$20.20 | \$9,594 | 2.23% | 0.00% to 1.75% | 16.70% to 18.27% |
| 2006 | 225 | \$16.29 to \$16.91 | \$3,767 | 1.95% | 0.25% to 1.55% | 19.60% to 21.13% |
| 2005 | 87 | \$13.62 to \$13.96 | \$1,208 | 1.93% | 0.25% to 1.55% | 19.09% to 20.14% |
| 2004 | 48 | \$11.47 to \$11.58 | \$553 | (a) | 0.40% to 1.40% | (a) |
| EuroPacific Growth Fund® - Class R-4 | | | | | | |
| 2008 | 13,832 | \$5.88 to \$12.16 | \$155,758 | 2.22% | 0.00% to 1.50% | -41.44% to -40.56% |
| 2007 | 11,118 | \$9.92 to \$20.24 | \$212,894 | 2.15% | 0.00% to 1.50% | 17.11% to 18.85% |
| 2006 | 8,654 | \$14.58 to \$17.16 | \$141,230 | 2.13% | 0.00% to 1.50% | 20.03% to 21.40% |
| 2005 | 4,523 | \$12.09 to \$14.26 | \$61,647 | 2.63% | 0.40% to 1.50% | 19.25% to 20.43% |
| 2004 | 1,426 | \$11.43 to \$11.96 | \$16,360 | (a) | 0.55% to 1.50% | (a) |

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| | Units* | Unit Fair Value | | | Net Assets | Investment | Expense Ratio ^B | | | Total Return ^C | | |
|-------------------------------------------------------|---------|---------------------|----|---------|------------|---------------------------|----------------------------|----|-------|---------------------------|----|---------|
| | (000's) | (lowest to highest) | | | (000's) | Income Ratio ^A | (lowest to highest) | | | (lowest to highest) | | |
| Evergreen Special Values Fund - Class A | | | | | | | | | | | | |
| 2008 | 4,235 | \$6.42 | to | \$16.03 | \$62,156 | 1.09% | 0.00% | to | 1.55% | -32.80% | to | -31.95% |
| 2007 | 4,354 | \$12.72 | to | \$23.16 | \$94,562 | 1.21% | 0.30% | to | 1.55% | -9.51% | to | -8.57% |
| 2006 | 4,425 | \$15.03 | to | \$24.96 | \$105,934 | 0.42% | 0.50% | to | 1.55% | 19.54% | to | 20.78% |
| 2005 | 3,781 | \$12.57 | to | \$20.60 | \$75,301 | 0.93% | 0.55% | to | 1.55% | 8.74% | to | 9.85% |
| 2004 | 2,610 | \$11.56 | to | \$18.76 | \$47,554 | 0.96% | 0.55% | to | 1.55% | 18.85% | to | 18.90% |
| Fidelity® VIP Equity-Income Portfolio - Initial Class | | | | | | | | | | | | |
| 2008 | 16,023 | \$5.46 | to | \$19.17 | \$213,311 | 2.47% | 0.00% | to | 2.15% | -43.84% | to | -42.62% |
| 2007 | 17,821 | \$13.07 | to | \$33.82 | \$426,528 | 1.84% | 0.00% | to | 2.15% | -0.38% | to | 1.55% |
| 2006 | 18,954 | \$13.23 | to | \$33.70 | \$455,731 | 3.30% | 0.00% | to | 1.95% | 17.81% | to | 20.16% |
| 2005 | 19,555 | \$11.23 | to | \$28.36 | \$401,206 | 1.61% | 0.00% | to | 1.95% | 4.15% | to | 5.90% |
| 2004 | 21,024 | \$10.84 | to | \$27.10 | \$405,088 | 1.43% | 0.00% | to | 1.95% | 9.88% | to | 11.29% |
| Fidelity® VIP Growth Portfolio - Initial Class | | | | | | | | | | | | |
| 2008 | 14,257 | \$5.14 | to | \$17.49 | \$159,095 | 0.83% | 0.00% | to | 1.85% | -48.12% | to | -47.17% |
| 2007 | 15,005 | \$13.28 | to | \$33.50 | \$329,714 | 0.83% | 0.00% | to | 1.85% | 24.81% | to | 26.93% |
| 2006 | 16,905 | \$10.60 | to | \$26.69 | \$295,822 | 0.40% | 0.00% | to | 1.65% | 5.20% | to | 6.89% |
| 2005 | 19,931 | \$9.98 | to | \$25.27 | \$329,184 | 0.51% | 0.00% | to | 1.80% | 3.98% | to | 5.79% |
| 2004 | 24,025 | \$9.50 | to | \$24.16 | \$377,338 | 0.26% | 0.00% | to | 1.65% | 1.80% | to | 3.11% |
| Fidelity® VIP High Income Portfolio - Initial Class | | | | | | | | | | | | |
| 2008 | 657 | \$7.58 | to | \$8.31 | \$5,016 | 8.83% | 0.95% | to | 1.50% | -26.13% | to | -25.69% |
| 2007 | 735 | \$10.20 | to | \$11.25 | \$7,556 | 8.27% | 1.00% | to | 1.50% | 1.26% | to | 1.78% |
| 2006 | 767 | \$10.04 | to | \$11.11 | \$7,752 | 8.35% | 1.00% | to | 1.50% | 9.57% | to | 10.12% |
| 2005 | 647 | \$9.12 | to | \$9.19 | \$6,022 | 14.48% | 1.00% | to | 1.10% | 1.56% | to | 1.77% |
| 2004 | 568 | \$8.98 | to | \$9.03 | \$5,210 | 9.10% | 1.00% | to | 1.50% | 8.40% | to | 8.45% |
| Fidelity® VIP Overseas Portfolio - Initial Class | | | | | | | | | | | | |
| 2008 | 2,600 | \$5.50 | to | \$14.49 | \$29,665 | 2.56% | 0.00% | to | 1.50% | -44.66% | to | -43.84% |
| 2007 | 2,877 | \$13.33 | to | \$25.80 | \$60,698 | 3.37% | 0.00% | to | 1.50% | 15.56% | to | 17.27% |
| 2006 | 2,821 | \$11.47 | to | \$22.00 | \$51,710 | 0.89% | 0.00% | to | 1.50% | 16.32% | to | 18.09% |
| 2005 | 2,828 | \$9.82 | to | \$18.63 | \$44,759 | 0.65% | 0.00% | to | 1.50% | 5.21% | to | 19.04% |
| 2004 | 3,036 | \$8.33 | to | \$15.65 | \$41,057 | 1.10% | 0.00% | to | 1.50% | 11.91% | to | 27.00% |

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| | Units* (000's) | Unit Fair Value (lowest to highest) | Net Assets (000's) | Investment Income Ratio^A | Expense Ratio^B (lowest to highest) | Total Return^C (lowest to highest) |
|---------------------------------------------------------------------|---------------------------------|------------------------------------------------------|-------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------|
| Fidelity® VIP Contrafund® Portfolio - Initial Class | | | | | | |
| 2008 | 39,866 | \$5.64 to \$24.16 | \$722,264 | 1.02% | 0.00% to 2.15% | -43.75% to -29.20% |
| 2007 | 40,117 | \$14.19 to \$42.45 | \$1,311,557 | 0.95% | 0.00% to 2.15% | -6.90% to 17.56% |
| 2006 | 40,979 | \$12.07 to \$36.46 | \$1,176,582 | 1.31% | 0.00% to 1.95% | 9.57% to 11.73% |
| 2005 | 37,845 | \$12.96 to \$32.97 | \$1,008,057 | 0.26% | 0.00% to 1.95% | 14.84% to 16.95% |
| 2004 | 32,399 | \$11.31 to \$28.47 | \$743,262 | 0.31% | 0.00% to 1.85% | 13.73% to 15.24% |
| Fidelity® VIP Index 500 Portfolio - Initial Class | | | | | | |
| 2008 | 4,127 | \$18.05 to \$18.22 | \$75,139 | 2.23% | 0.95% to 1.00% | -37.63% to -37.62% |
| 2007 | 4,341 | \$28.94 to \$29.21 | \$126,698 | 3.67% | 1.00% to 1.10% | 4.29% to 4.40% |
| 2006 | 4,609 | \$27.75 to \$27.98 | \$128,845 | 1.65% | 1.00% to 1.10% | 14.43% to 14.58% |
| 2005 | 4,779 | \$24.25 to \$24.42 | \$116,615 | 1.72% | 1.00% to 1.10% | 3.72% to 3.78% |
| 2004 | 4,966 | \$23.38 to \$23.53 | \$116,763 | 1.24% | 1.00% to 1.10% | 9.41% to 9.49% |
| Fidelity® VIP Mid Cap Portfolio - Initial Class | | | | | | |
| 2008 | 935 | \$8.56 | \$8,006 | 0.55% | - | -39.42% |
| 2007 | 706 | \$14.13 | \$9,972 | 0.92% | - | 15.63% |
| 2006 | 446 | \$12.22 | \$5,451 | (c) | - | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |
| Fidelity® VIP Asset Manager SM Portfolio - Initial Class | | | | | | |
| 2008 | 968 | \$15.95 to \$16.10 | \$15,560 | 3.00% | 0.95% to 1.00% | -29.42% |
| 2007 | 889 | \$22.60 to \$22.81 | \$20,260 | 6.08% | 1.00% to 1.10% | 14.20% to 14.34% |
| 2006 | 921 | \$19.79 to \$19.95 | \$18,360 | 2.71% | 1.00% to 1.10% | 6.17% to 6.29% |
| 2005 | 994 | \$18.64 to \$18.77 | \$18,646 | 2.68% | 1.00% to 1.10% | 2.93% to 2.96% |
| 2004 | 1,116 | \$18.11 to \$18.23 | \$20,327 | 2.80% | 1.00% to 1.10% | 4.32% to 4.47% |
| Mutual Discovery Fund - Class R | | | | | | |
| 2008 | 160 | \$12.35 to \$13.10 | \$2,067 | 1.20% | 0.35% to 1.55% | -28.07% to -27.22% |
| 2007 | 138 | \$17.17 to \$18.00 | \$2,445 | 2.27% | 0.35% to 1.55% | 9.02% to 10.43% |
| 2006 | 89 | \$15.75 to \$16.30 | \$1,438 | 2.06% | 0.35% to 1.55% | 20.97% to 22.16% |
| 2005 | 51 | \$13.02 to \$13.27 | \$667 | 1.41% | 0.55% to 1.55% | 13.95% |
| 2004 | 16 | \$11.54 to \$11.60 | \$186 | (a) | 0.45% to 1.05% | (a) |

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| | Units* | Unit Fair Value | | Net Assets | Investment | Expense Ratio ^B | | | Total Return ^C | | |
|----------------------------------------------------|---------|---------------------|------------|------------|---------------------------|----------------------------|----------|---------|---------------------------|--|--|
| | (000's) | (lowest to highest) | | (000's) | Income Ratio ^A | (lowest to highest) | | | (lowest to highest) | | |
| Franklin Small-Mid Cap Growth Fund - Class A | | | | | | | | | | | |
| 2008 | 49 | \$7.70 | to \$8.27 | \$396 | 0.17% | 0.30% | to 1.75% | -43.55% | to -43.03% | | |
| 2007 | 55 | \$13.64 | to \$14.24 | \$767 | - | 0.65% | to 1.75% | 9.73% | to 10.99% | | |
| 2006 | 44 | \$12.43 | to \$12.83 | \$556 | - | 0.65% | to 1.75% | 5.76% | to 6.60% | | |
| 2005 | 27 | \$11.80 | to \$11.98 | \$318 | - | 0.80% | to 1.60% | 8.86% | | | |
| 2004 | 6 | \$10.84 | to \$10.91 | \$70 | (a) | 0.90% | to 1.60% | (a) | | | |
| Franklin Small Cap Value Securities Fund - Class 2 | | | | | | | | | | | |
| 2008 | 5,364 | \$6.33 | to \$13.05 | \$63,473 | 1.21% | 0.00% | to 1.90% | -34.15% | to -32.98% | | |
| 2007 | 5,150 | \$12.76 | to \$19.69 | \$91,636 | 0.69% | 0.00% | to 1.95% | -4.10% | to -2.71% | | |
| 2006 | 4,814 | \$13.16 | to \$20.37 | \$88,521 | 0.64% | 0.15% | to 1.75% | 15.05% | to 16.53% | | |
| 2005 | 4,489 | \$12.96 | to \$17.59 | \$72,308 | 0.78% | 0.35% | to 1.65% | 7.02% | to 8.16% | | |
| 2004 | 3,359 | \$12.11 | to \$16.33 | \$50,132 | 0.13% | 0.00% | to 1.65% | 21.91% | to 23.12% | | |
| Fundamental Investors, Inc. - Class R-3 | | | | | | | | | | | |
| 2008 | 2 | \$6.08 | to \$6.12 | \$13 | (e) | 0.40% | to 1.35% | | (e) | | |
| 2007 | (e) | | (e) | (e) | (e) | | (e) | | (e) | | |
| 2006 | (e) | | (e) | (e) | (e) | | (e) | | (e) | | |
| 2005 | (e) | | (e) | (e) | (e) | | (e) | | (e) | | |
| 2004 | (e) | | (e) | (e) | (e) | | (e) | | (e) | | |
| Fundamental Investors, Inc. - Class R-4 | | | | | | | | | | | |
| 2008 | 1,355 | \$6.09 | to \$6.15 | \$8,280 | (e) | 0.00% | to 1.50% | | (e) | | |
| 2007 | (e) | | (e) | (e) | (e) | | (e) | | (e) | | |
| 2006 | (e) | | (e) | (e) | (e) | | (e) | | (e) | | |
| 2005 | (e) | | (e) | (e) | (e) | | (e) | | (e) | | |
| 2004 | (e) | | (e) | (e) | (e) | | (e) | | (e) | | |
| The Growth Fund of America® - Class R-3 | | | | | | | | | | | |
| 2008 | 1,082 | \$7.03 | to \$9.22 | \$9,558 | 0.68% | 0.00% | to 1.75% | -40.25% | to -39.22% | | |
| 2007 | 848 | \$11.68 | to \$15.17 | \$12,442 | 0.92% | 0.00% | to 1.75% | 8.85% | to 10.36% | | |
| 2006 | 584 | \$10.67 | to \$13.63 | \$7,813 | 0.76% | 0.20% | to 1.55% | 8.89% | to 10.29% | | |
| 2005 | 319 | \$12.04 | to \$12.34 | \$3,894 | 0.65% | 0.25% | to 1.55% | 12.28% | to 13.54% | | |
| 2004 | 122 | \$10.74 | to \$10.86 | \$1,320 | (a) | 0.30% | to 1.45% | (a) | | | |

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| | Units* | Unit Fair Value | | | Net Assets | Investment | Expense Ratio ^B | | | Total Return ^C | | |
|-----------------------------------------|---------|---------------------|----|---------|------------|---------------------------|----------------------------|----|-------|---------------------------|----|---------|
| | (000's) | (lowest to highest) | | | (000's) | Income Ratio ^A | (lowest to highest) | | | (lowest to highest) | | |
| The Growth Fund of America® - Class R-4 | | | | | | | | | | | | |
| 2008 | 20,363 | \$5.91 | to | \$9.34 | \$181,120 | 0.98% | 0.00% | to | 1.50% | -40.00% | to | -39.03% |
| 2007 | 16,882 | \$9.72 | to | \$15.32 | \$248,778 | 1.08% | 0.00% | to | 1.50% | 9.19% | to | 10.52% |
| 2006 | 14,655 | \$12.90 | to | \$13.73 | \$196,584 | 0.91% | 0.30% | to | 1.50% | 9.29% | to | 10.56% |
| 2005 | 11,850 | \$11.74 | to | \$12.54 | \$145,130 | 0.93% | 0.00% | to | 1.50% | 12.50% | to | 13.63% |
| 2004 | 4,738 | \$10.80 | to | \$11.14 | \$51,341 | (a) | 0.45% | to | 1.50% | | | (a) |
| The Income Fund of America® - Class R-3 | | | | | | | | | | | | |
| 2008 | 158 | \$9.22 | to | \$10.05 | \$1,535 | 4.57% | 0.00% | to | 1.75% | -30.42% | to | -29.18% |
| 2007 | 121 | \$13.25 | to | \$14.19 | \$1,660 | 3.34% | 0.00% | to | 1.75% | 1.83% | to | 3.08% |
| 2006 | 77 | \$13.12 | to | \$13.65 | \$1,032 | 3.12% | 0.20% | to | 1.55% | 18.13% | to | 19.60% |
| 2005 | 26 | \$11.14 | to | \$11.38 | \$295 | 3.46% | 0.30% | to | 1.45% | 1.73% | to | 2.71% |
| 2004 | 10 | \$10.97 | to | \$11.08 | \$110 | (a) | 0.30% | to | 1.40% | | | (a) |
| ING Financial Services Fund - Class A | | | | | | | | | | | | |
| 2008 | 15 | \$6.52 | to | \$6.86 | \$101 | 1.69% | 0.40% | to | 1.45% | -42.35% | to | -41.77% |
| 2007 | 12 | \$11.17 | to | \$11.78 | \$136 | 1.82% | 0.40% | to | 1.75% | -14.51% | to | -13.79% |
| 2006 | 6 | \$13.23 | to | \$13.56 | \$84 | 1.20% | 0.60% | to | 1.45% | | | 16.42% |
| 2005 | 4 | \$11.63 | to | \$11.66 | \$51 | - | 0.50% | to | 0.65% | | | 7.27% |
| 2004 | 1 | | | \$10.87 | \$9 | (a) | | | 0.50% | | | (a) |
| ING Real Estate Fund - Class A | | | | | | | | | | | | |
| 2008 | 133 | \$9.86 | to | \$10.59 | \$1,357 | 3.35% | 0.00% | to | 1.45% | -36.10% | to | -35.15% |
| 2007 | 121 | \$15.25 | to | \$16.33 | \$1,923 | 2.75% | 0.00% | to | 1.75% | -17.75% | to | -16.74% |
| 2006 | 124 | \$18.70 | to | \$19.45 | \$2,373 | 2.49% | 0.20% | to | 1.55% | 34.10% | to | 35.71% |
| 2005 | 67 | \$13.99 | to | \$14.31 | \$954 | 4.05% | 0.25% | to | 1.45% | 10.59% | to | 11.47% |
| 2004 | 22 | \$12.65 | to | \$12.76 | \$282 | (a) | 0.45% | to | 1.45% | | | (a) |
| ING GNMA Income Fund - Class A | | | | | | | | | | | | |
| 2008 | 238 | \$11.46 | to | \$12.37 | \$2,835 | 3.54% | 0.00% | to | 1.55% | 5.23% | to | 6.91% |
| 2007 | 126 | \$10.89 | to | \$11.57 | \$1,405 | 3.87% | 0.00% | to | 1.55% | 4.11% | to | 5.37% |
| 2006 | 91 | \$10.44 | to | \$10.87 | \$973 | 5.45% | 0.20% | to | 1.55% | 2.75% | to | 3.93% |
| 2005 | 69 | \$10.11 | to | \$10.44 | \$712 | 4.48% | 0.25% | to | 1.55% | 0.99% | to | 2.25% |
| 2004 | 40 | \$10.10 | to | \$10.20 | \$404 | (a) | 0.30% | to | 1.45% | | | (a) |

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|----------------------------------------------------------------|---------------------------------|------------------------------------------------------|-------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------|
| ING Intermediate Bond Fund - Class A | | | | | | |
| 2008 | 342 | \$9.72 to \$10.48 | \$3,481 | 4.43% | 0.00% to 1.55% | -11.39% to -10.04% |
| 2007 | 269 | \$10.97 to \$11.65 | \$3,064 | 4.22% | 0.00% to 1.55% | 4.18% to 5.34% |
| 2006 | 151 | \$10.53 to \$10.95 | \$1,633 | 4.65% | 0.20% to 1.55% | 2.13% to 3.33% |
| 2005 | 79 | \$10.31 to \$10.52 | \$829 | 3.96% | 0.45% to 1.55% | 1.66% to 2.24% |
| 2004 | 52 | \$10.20 to \$10.29 | \$535 | (a) | 0.40% to 1.40% | (a) |
| ING AllianceBernstein Mid Cap Growth Portfolio - Service Class | | | | | | |
| 2008 | 277 | \$4.97 to \$7.60 | \$2,033 | - | 0.00% to 1.50% | -47.25% to -46.44% |
| 2007 | 282 | \$13.63 to \$14.19 | \$3,891 | - | 0.00% to 1.50% | 9.21% to 10.32% |
| 2006 | 262 | \$12.48 to \$12.69 | \$3,286 | - | 0.50% to 1.50% | 0.24% to 1.20% |
| 2005 | 88 | \$12.45 to \$12.54 | \$1,096 | (b) | 0.50% to 1.50% | (b) |
| 2004 | (b) | (b) | (b) | (b) | (b) | (b) |
| ING BlackRock Large Cap Growth Portfolio - Institutional Class | | | | | | |
| 2008 | 10,055 | \$5.87 to \$6.43 | \$63,303 | 0.20% | 0.00% to 1.50% | -39.90% to -39.03% |
| 2007 | 11,126 | \$9.76 to \$10.53 | \$115,938 | (d) | 0.00% to 1.50% | (d) |
| 2006 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2005 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2004 | (d) | (d) | (d) | (d) | (d) | (d) |
| ING BlackRock Large Cap Growth Portfolio - Service Class | | | | | | |
| 2008 | 12 | \$7.33 to \$7.41 | \$86 | - | 0.00% to 0.50% | -39.32% to -39.11% |
| 2007 | 4 | \$12.08 to \$12.17 | \$43 | - | 0.00% to 0.50% | 6.75% |
| 2006 | - | \$11.40 | - | (c) | - | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |
| ING BlackRock Large Cap Growth Portfolio - Service 2 Class | | | | | | |
| 2008 | 12 | \$6.33 | \$79 | - | 0.35% | -39.43% |
| 2007 | 14 | \$10.45 | \$147 | (d) | 0.35% | (d) |
| 2006 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2005 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2004 | (d) | (d) | (d) | (d) | (d) | (d) |

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|---------------------------------------------------------------------|---------------------------------|------------------------------------------------------|-------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------|
| ING Evergreen Health Sciences Portfolio - Service Class | | | | | | |
| 2008 | 749 | \$7.07 to \$9.97 | \$7,198 | 0.15% | 0.00% to 1.50% | -29.73% to -28.63% |
| 2007 | 460 | \$13.42 to \$13.97 | \$6,256 | 0.13% | 0.00% to 1.50% | 6.93% to 8.55% |
| 2006 | 351 | \$12.55 to \$12.87 | \$4,440 | - | 0.00% to 1.50% | 12.15% to 13.32% |
| 2005 | 129 | \$11.19 to \$11.29 | \$1,446 | (b) | 0.50% to 1.50% | (b) |
| 2004 | (b) | (b) | (b) | (b) | (b) | (b) |
| ING Evergreen Omega Portfolio - Service Class | | | | | | |
| 2008 | 4 | \$9.28 to \$9.40 | \$35 | - | 0.00% to 0.50% | -27.53% |
| 2007 | - | \$12.97 | - | (d) | - | (d) |
| 2006 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2005 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2004 | (d) | (d) | (d) | (d) | (d) | (d) |
| ING FMR SM Diversified Mid Cap Portfolio - Service Class | | | | | | |
| 2008 | 2,384 | \$5.92 to \$9.30 | \$21,437 | 0.94% | 0.00% to 1.50% | -40.11% to -39.14% |
| 2007 | 1,307 | \$9.76 to \$15.28 | \$19,443 | 0.12% | 0.00% to 1.85% | 12.77% to 14.09% |
| 2006 | 1,115 | \$13.00 to \$13.31 | \$14,604 | - | 0.35% to 1.55% | 10.25% to 11.36% |
| 2005 | 390 | \$11.80 to \$11.88 | \$4,611 | (b) | 0.50% to 1.50% | (b) |
| 2004 | (b) | (b) | (b) | (b) | (b) | (b) |
| ING Global Real Estate Portfolio - Institutional Class | | | | | | |
| 2008 | 5,361 | \$6.69 to \$6.73 | \$35,967 | (e) | 0.00% to 1.50% | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2006 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2005 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2004 | (e) | (e) | (e) | (e) | (e) | (e) |
| ING Global Resources Portfolio - Institutional Class | | | | | | |
| 2008 | 3 | \$8.22 | \$25 | 2.90% | 0.20% | -40.95% |
| 2007 | 3 | \$13.92 | \$44 | (d) | 0.20% | (d) |
| 2006 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2005 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2004 | (d) | (d) | (d) | (d) | (d) | (d) |

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|----------------------------------------------------------------------|---------------------------------|------------------------------------------------------|-------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------|
| ING Global Resources Portfolio - Service Class | | | | | | |
| 2008 | 9,325 | \$6.00 to \$8.06 | \$73,573 | 2.08% | 0.00% to 1.50% | -41.88% to -41.03% |
| 2007 | 8,097 | \$13.42 to \$13.65 | \$109,431 | (d) | 0.00% to 1.50% | (d) |
| 2006 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2005 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2004 | (d) | (d) | (d) | (d) | (d) | (d) |
| ING Janus Contrarian Portfolio - Service Class | | | | | | |
| 2008 | 1,285 | \$5.32 to \$5.86 | \$7,405 | 0.72% | 0.00% to 1.50% | -49.21% to -49.00% |
| 2007 | 403 | \$11.44 to \$11.49 | \$4,611 | (d) | 0.00% to 0.50% | (d) |
| 2006 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2005 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2004 | (d) | (d) | (d) | (d) | (d) | (d) |
| ING JPMorgan Emerging Markets Equity Portfolio - Adviser Class | | | | | | |
| 2008 | 18 | \$9.76 | \$171 | 3.71% | 0.35% | -51.61% |
| 2007 | 18 | \$20.17 | \$368 | 0.94% | 0.35% | 37.49% |
| 2006 | 4 | \$14.67 | \$57 | (c) | 0.35% | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |
| ING JPMorgan Emerging Markets Equity Portfolio - Institutional Class | | | | | | |
| 2008 | 1,808 | \$10.20 to \$10.21 | \$18,447 | 2.65% | 0.95% to 1.00% | -51.66% to -51.61% |
| 2007 | 2,077 | \$21.10 | \$43,831 | 1.12% | 1.00% | 37.46% |
| 2006 | 1,901 | \$15.35 | \$29,171 | 0.67% | 1.00% | 34.77% |
| 2005 | 1,396 | \$11.39 | \$15,902 | (b) | 1.00% | (b) |
| 2004 | (b) | (b) | (b) | (b) | (b) | (b) |
| ING JPMorgan Emerging Markets Equity Portfolio - Service Class | | | | | | |
| 2008 | 1,357 | \$4.89 to \$12.39 | \$15,725 | 2.46% | 0.00% to 1.50% | -52.01% to -51.32% |
| 2007 | 1,642 | \$15.61 to \$25.32 | \$40,173 | 0.95% | 0.10% to 1.50% | 36.42% to 37.80% |
| 2006 | 1,200 | \$11.43 to \$18.30 | \$21,610 | 0.43% | 0.40% to 1.50% | 33.78% to 35.12% |
| 2005 | 512 | \$13.38 to \$13.50 | \$6,873 | (b) | 0.50% to 1.50% | (b) |
| 2004 | (b) | (b) | (b) | (b) | (b) | (b) |

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| | Units* (000's) | Unit Fair Value (lowest to highest) | | | Net Assets (000's) | Investment Income Ratio ^A | Expense Ratio ^B (lowest to highest) | | | Total Return ^C (lowest to highest) | | |
|------------------------------------------------------------------|-------------------|----------------------------------------|-----|---------|-----------------------|--------------------------------------------|---------------------------------------------------|----|-------|--------------------------------------------------|----|---------|
| ING JPMorgan Small Cap Core Equity Portfolio - Service Class | | | | | | | | | | | | |
| 2008 | 241 | \$6.57 | to | \$9.15 | \$2,129 | 0.48% | 0.00% | to | 1.50% | -31.00% | to | -29.94% |
| 2007 | 194 | \$12.55 | to | \$13.06 | \$2,468 | 0.15% | 0.00% | to | 1.50% | -3.16% | to | -2.13% |
| 2006 | 126 | \$12.96 | to | \$13.25 | \$1,643 | - | 0.40% | to | 1.50% | 15.07% | to | 16.04% |
| 2005 | 25 | \$11.28 | to | \$11.38 | \$282 | (b) | 0.50% | to | 1.40% | | | (b) |
| 2004 | (b) | | (b) | | (b) | (b) | | | (b) | | | (b) |
| ING JPMorgan Value Opportunities Portfolio - Institutional Class | | | | | | | | | | | | |
| 2008 | 4 | \$6.62 | to | \$6.64 | \$28 | 4.00% | 1.15% | to | 1.25% | -40.09% | to | -40.02% |
| 2007 | 6 | \$11.05 | to | \$11.07 | \$72 | 4.08% | 1.15% | to | 1.25% | -2.13% | to | -2.04% |
| 2006 | 2 | \$11.29 | to | \$11.30 | \$26 | (c) | 1.15% | to | 1.25% | | | (c) |
| 2005 | (c) | | (c) | | (c) | (c) | | | (c) | | | (c) |
| 2004 | (c) | | (c) | | (c) | (c) | | | (c) | | | (c) |
| ING JPMorgan Value Opportunities Portfolio - Service Class | | | | | | | | | | | | |
| 2008 | 170 | \$5.76 | to | \$6.79 | \$1,126 | 3.04% | 0.00% | to | 1.50% | -40.46% | to | -39.54% |
| 2007 | 166 | \$10.95 | to | \$11.23 | \$1,839 | 1.80% | 0.00% | to | 1.50% | -2.58% | to | -1.68% |
| 2006 | 73 | \$11.24 | to | \$11.32 | \$824 | (c) | 0.50% | to | 1.50% | | | (c) |
| 2005 | (c) | | (c) | | (c) | (c) | | | (c) | | | (c) |
| 2004 | (c) | | (c) | | (c) | (c) | | | (c) | | | (c) |
| ING Julius Baer Foreign Portfolio - Service Class | | | | | | | | | | | | |
| 2008 | 3,034 | \$5.58 | to | \$11.53 | \$33,338 | - | 0.00% | to | 1.50% | -44.46% | to | -43.62% |
| 2007 | 3,036 | \$17.69 | to | \$20.46 | \$59,851 | 0.08% | 0.00% | to | 1.50% | 14.70% | to | 16.46% |
| 2006 | 1,766 | \$15.30 | to | \$17.79 | \$30,166 | (c) | 0.00% | to | 1.50% | | | (c) |
| 2005 | (c) | | (c) | | (c) | (c) | | | (c) | | | (c) |
| 2004 | (c) | | (c) | | (c) | (c) | | | (c) | | | (c) |
| ING Legg Mason Value Portfolio - Service Class | | | | | | | | | | | | |
| 2008 | 291 | \$4.12 | to | \$5.16 | \$1,448 | - | 0.00% | to | 1.50% | -56.13% | to | -55.48% |
| 2007 | 390 | \$11.03 | to | \$11.59 | \$4,394 | - | 0.00% | to | 1.85% | -7.49% | to | -6.28% |
| 2006 | 282 | \$12.02 | to | \$12.30 | \$3,415 | - | 0.30% | to | 1.55% | 4.97% | to | 5.98% |
| 2005 | 148 | \$11.46 | to | \$11.57 | \$1,700 | (b) | 0.50% | to | 1.50% | | | (b) |
| 2004 | (b) | | (b) | | (b) | (b) | | | (b) | | | (b) |

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| | Units* | Unit Fair Value | | | Net Assets | Investment | Expense Ratio ^B | | | Total Return ^C | | |
|-------------------------------------------------------------------|---------|---------------------|----|---------|------------|---------------------------|----------------------------|----|-------|---------------------------|----|---------|
| | (000's) | (lowest to highest) | | | (000's) | Income Ratio ^A | (lowest to highest) | | | (lowest to highest) | | |
| ING Lord Abbett Affiliated Portfolio - Institutional Class | | | | | | | | | | | | |
| 2008 | 10,392 | \$6.17 | to | \$7.22 | \$73,160 | 3.25% | 0.00% | to | 1.95% | -37.67% | to | -36.48% |
| 2007 | 11,800 | \$10.99 | to | \$11.33 | \$131,763 | 0.05% | 0.20% | to | 1.95% | 2.79% | to | 3.78% |
| 2006 | 99 | \$10.77 | to | \$10.85 | \$1,068 | (c) | 0.50% | to | 1.50% | | | (c) |
| 2005 | (c) | | | (c) | (c) | (c) | | | (c) | | | (c) |
| 2004 | (c) | | | (c) | (c) | (c) | | | (c) | | | (c) |
| ING Lord Abbett Affiliated Portfolio - Service Class | | | | | | | | | | | | |
| 2008 | 72 | \$6.93 | to | \$7.06 | \$506 | 3.33% | 0.65% | to | 1.35% | -37.45% | to | -37.15% |
| 2007 | 46 | \$11.08 | to | \$11.17 | \$516 | (d) | 0.85% | to | 1.35% | | | (d) |
| 2006 | (d) | | | (d) | (d) | (d) | | | (d) | | | (d) |
| 2005 | (d) | | | (d) | (d) | (d) | | | (d) | | | (d) |
| 2004 | (d) | | | (d) | (d) | (d) | | | (d) | | | (d) |
| ING Marsico Growth Portfolio - Institutional Class | | | | | | | | | | | | |
| 2008 | 797 | \$6.45 | to | \$6.62 | \$5,214 | (e) | 0.00% | to | 1.50% | | | (e) |
| 2007 | (e) | | | (e) | (e) | (e) | | | (e) | | | (e) |
| 2006 | (e) | | | (e) | (e) | (e) | | | (e) | | | (e) |
| 2005 | (e) | | | (e) | (e) | (e) | | | (e) | | | (e) |
| 2004 | (e) | | | (e) | (e) | (e) | | | (e) | | | (e) |
| ING Marsico Growth Portfolio - Service Class | | | | | | | | | | | | |
| 2008 | 39 | \$6.59 | to | \$8.08 | \$306 | 0.09% | 0.35% | to | 1.20% | -40.94% | to | -40.60% |
| 2007 | 325 | \$11.39 | to | \$13.76 | \$4,327 | - | 0.00% | to | 1.50% | 12.43% | to | 14.19% |
| 2006 | 233 | \$10.11 | to | \$12.05 | \$2,747 | - | 0.00% | to | 1.50% | 3.34% | to | 4.46% |
| 2005 | 102 | \$11.37 | to | \$11.47 | \$1,159 | (b) | 0.50% | to | 1.50% | | | (b) |
| 2004 | (b) | | | (b) | (b) | (b) | | | (b) | | | (b) |
| ING Marsico International Opportunities Portfolio - Adviser Class | | | | | | | | | | | | |
| 2008 | 11 | | | \$5.68 | \$65 | - | | | 0.35% | | | -49.87% |
| 2007 | 6 | | | \$11.33 | \$64 | (d) | | | 0.35% | | | (d) |
| 2006 | (d) | | | (d) | (d) | (d) | | | (d) | | | (d) |
| 2005 | (d) | | | (d) | (d) | (d) | | | (d) | | | (d) |
| 2004 | (d) | | | (d) | (d) | (d) | | | (d) | | | (d) |

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| | Units* (000's) | Unit Fair Value (lowest to highest) | Net Assets (000's) | Investment Income Ratio^A | Expense Ratio^B (lowest to highest) | Total Return^C (lowest to highest) |
|-------------------------------------------------------------------|---------------------------------|------------------------------------------------------|-------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------|
| ING Marsico International Opportunities Portfolio - Service Class | | | | | | |
| 2008 | 705 | \$4.93 to \$9.46 | \$6,408 | 1.08% | 0.00% to 1.50% | -50.25% to -49.52% |
| 2007 | 688 | \$18.01 to \$18.74 | \$12,551 | 0.95% | 0.00% to 1.50% | 18.80% to 19.97% |
| 2006 | 478 | \$15.16 to \$15.50 | \$7,306 | 0.03% | 0.40% to 1.50% | 22.16% to 23.16% |
| 2005 | 108 | \$12.41 to \$12.48 | \$1,348 | (b) | 0.70% to 1.50% | (b) |
| 2004 | (b) | (b) | (b) | (b) | (b) | (b) |
| ING MFS Total Return Portfolio - Adviser Class | | | | | | |
| 2008 | 55 | \$8.99 | \$497 | 4.89% | 0.35% | -22.90% |
| 2007 | 49 | \$11.66 | \$567 | 1.31% | 0.35% | 3.19% |
| 2006 | 4 | \$11.30 | \$45 | (c) | 0.35% | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |
| ING MFS Total Return Portfolio - Institutional Class | | | | | | |
| 2008 | 6,024 | \$8.57 to \$8.58 | \$51,654 | 6.26% | 0.95% to 1.00% | -23.00% to -22.91% |
| 2007 | 7,291 | \$11.13 | \$81,146 | 0.11% | 1.00% | 3.25% |
| 2006 | 25 | \$10.78 | \$269 | (c) | 1.00% | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |
| ING MFS Total Return Portfolio - Service Class | | | | | | |
| 2008 | 1,955 | \$7.60 to \$12.47 | \$22,350 | 5.97% | 0.00% to 1.55% | -23.51% to -22.41% |
| 2007 | 2,252 | \$12.08 to \$15.88 | \$33,604 | 2.95% | 0.10% to 1.55% | 2.44% to 3.61% |
| 2006 | 2,514 | \$11.69 to \$15.23 | \$36,559 | 2.23% | 0.30% to 1.65% | 10.26% to 11.49% |
| 2005 | 3,132 | \$10.95 to \$13.66 | \$41,280 | 2.59% | 0.40% to 1.50% | 1.38% to 2.33% |
| 2004 | 2,236 | \$10.84 to \$13.30 | \$29,119 | 2.74% | 0.55% to 1.50% | 9.45% to 10.56% |
| ING MFS Utilities Portfolio - Service Class | | | | | | |
| 2008 | 2,158 | \$6.29 to \$11.94 | \$24,775 | 3.58% | 0.00% to 1.50% | -38.65% to -37.72% |
| 2007 | 2,012 | \$18.42 to \$19.17 | \$37,523 | 1.01% | 0.00% to 1.50% | 25.48% to 26.89% |
| 2006 | 881 | \$14.68 to \$15.01 | \$13,022 | 0.04% | 0.40% to 1.50% | 28.88% to 30.08% |
| 2005 | 104 | \$11.39 to \$11.47 | \$1,191 | (b) | 0.50% to 1.50% | (b) |
| 2004 | (b) | (b) | (b) | (b) | (b) | (b) |

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|-----------------------------------------------------------|---------|---------------------|----|---------|------------|---------------------------|----------------------------|----|-------|---------------------------|----|---------|
| | (000's) | (lowest to highest) | | | (000's) | Income Ratio ^A | (lowest to highest) | | | (lowest to highest) | | |
| ING Oppenheimer Main Street Portfolio® - Service Class | | | | | | | | | | | | |
| 2008 | 176 | \$6.64 | to | \$8.14 | \$1,342 | 2.99% | 0.00% | to | 1.65% | -39.69% | to | -38.66% |
| 2007 | 159 | \$11.01 | to | \$13.27 | \$2,004 | 0.78% | 0.00% | to | 1.65% | 2.74% | to | 3.72% |
| 2006 | 66 | \$10.73 | to | \$12.62 | \$825 | 0.82% | 0.50% | to | 1.50% | 13.23% | to | 14.16% |
| 2005 | 19 | \$10.96 | to | \$11.02 | \$214 | (b) | 0.70% | to | 1.50% | | | (b) |
| 2004 | (b) | | | (b) | (b) | (b) | | | (b) | | | (b) |
| ING PIMCO High Yield Portfolio - Institutional Class | | | | | | | | | | | | |
| 2008 | 73 | \$8.30 | to | \$8.31 | \$609 | 8.94% | 0.95% | to | 1.00% | -23.15% | to | -23.06% |
| 2007 | 74 | | | \$10.80 | \$800 | 6.11% | | | 1.00% | | | 2.08% |
| 2006 | 23 | | | \$10.58 | \$247 | (c) | | | 1.00% | | | (c) |
| 2005 | (c) | | | (c) | (c) | (c) | | | (c) | | | (c) |
| 2004 | (c) | | | (c) | (c) | (c) | | | (c) | | | (c) |
| ING PIMCO High Yield Portfolio - Service Class | | | | | | | | | | | | |
| 2008 | 505 | \$7.67 | to | \$9.18 | \$4,462 | 8.96% | 0.00% | to | 1.50% | -23.68% | to | -22.53% |
| 2007 | 497 | \$10.71 | to | \$11.85 | \$5,722 | 7.27% | 0.00% | to | 1.50% | 1.34% | to | 2.86% |
| 2006 | 448 | \$10.56 | to | \$11.52 | \$5,070 | 6.48% | 0.00% | to | 1.50% | 7.36% | to | 8.35% |
| 2005 | 135 | \$10.46 | to | \$10.56 | \$1,418 | (b) | 0.50% | to | 1.50% | | | (b) |
| 2004 | (b) | | | (b) | (b) | (b) | | | (b) | | | (b) |
| ING Pioneer Equity Income Portfolio - Institutional Class | | | | | | | | | | | | |
| 2008 | 17,559 | \$6.20 | to | \$6.74 | \$111,368 | 3.16% | 0.00% | to | 1.95% | -31.49% | to | -30.28% |
| 2007 | 17,096 | \$9.05 | to | \$9.31 | \$156,482 | (d) | 0.20% | to | 1.95% | | | (d) |
| 2006 | (d) | | | (d) | (d) | (d) | | | (d) | | | (d) |
| 2005 | (d) | | | (d) | (d) | (d) | | | (d) | | | (d) |
| 2004 | (d) | | | (d) | (d) | (d) | | | (d) | | | (d) |
| ING Pioneer Fund Portfolio - Institutional Class | | | | | | | | | | | | |
| 2008 | 1,578 | \$6.37 | to | \$8.11 | \$11,631 | 3.79% | 0.00% | to | 1.60% | -35.59% | to | -34.52% |
| 2007 | 1,454 | \$11.18 | to | \$12.51 | \$16,489 | 0.44% | 0.00% | to | 1.70% | 3.71% | to | 5.42% |
| 2006 | 232 | \$10.78 | to | \$11.98 | \$2,509 | (c) | 0.00% | to | 1.50% | | | (c) |
| 2005 | (c) | | | (c) | (c) | (c) | | | (c) | | | (c) |
| 2004 | (c) | | | (c) | (c) | (c) | | | (c) | | | (c) |

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|-----------------------------------------------------------|---------------------------------|------------------------------------------------------|-------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------|
| ING Pioneer Fund Portfolio - Service Class | | | | | | |
| 2008 | 15 | \$7.22 to \$7.33 | \$109 | 3.64% | 0.70% to 1.30% | -35.54% to -35.41% |
| 2007 | 10 | \$11.20 to \$11.24 | \$111 | - | 1.00% to 1.30% | 4.07% |
| 2006 | 2 | \$10.80 | \$25 | (c) | 1.00% | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |
| ING Pioneer Mid Cap Value Portfolio - Adviser Class | | | | | | |
| 2008 | - | \$7.14 | \$2 | (e) | 0.35% | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2006 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2005 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2004 | (e) | (e) | (e) | (e) | (e) | (e) |
| ING Pioneer Mid Cap Value Portfolio - Institutional Class | | | | | | |
| 2008 | 8,859 | \$6.37 to \$7.58 | \$65,464 | 2.18% | 0.00% to 1.80% | -34.09% to -32.92% |
| 2007 | 8,727 | \$11.02 to \$11.30 | \$96,991 | 0.08% | 0.00% to 1.80% | 4.16% to 5.26% |
| 2006 | 74 | \$10.54 to \$10.65 | \$783 | (c) | 0.50% to 1.50% | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |
| ING Pioneer Mid Cap Value Portfolio - Service Class | | | | | | |
| 2008 | 28 | \$7.27 to \$7.52 | \$204 | 3.64% | 0.10% to 1.35% | -34.03% to -33.30% |
| 2007 | 1 | \$11.02 to \$11.20 | \$16 | (h) | 0.35% to 1.35% | (h) |
| 2006 | 1 | \$10.61 | \$6 | (c) | 0.80% | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |
| ING Stock Index Portfolio - Institutional Class | | | | | | |
| 2008 | 269 | \$8.44 to \$8.84 | \$2,372 | 3.86% | 0.00% to 1.25% | -37.92% to -37.13% |
| 2007 | 256 | \$13.55 to \$14.03 | \$3,588 | 1.50% | 0.05% to 1.25% | 4.04% to 4.51% |
| 2006 | 273 | \$13.00 to \$13.30 | \$3,625 | 3.36% | 0.15% to 1.25% | 14.55% |
| 2005 | 2,166 | \$11.41 to \$11.56 | \$25,037 | (b) | 0.00% to 0.80% | (b) |
| 2004 | (b) | (b) | (b) | (b) | (b) | (b) |

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|------------------------------------------------------------------|---------|---------------------|----|---------|------------|---------------------------|----------------------------|----|-------|---------------------------|----|---------|
| | (000's) | (lowest to highest) | | | (000's) | Income Ratio ^A | (lowest to highest) | | | (lowest to highest) | | |
| ING T. Rowe Price Capital Appreciation Portfolio - Service Class | | | | | | | | | | | | |
| 2008 | 17,181 | \$7.12 | to | \$9.57 | \$158,868 | 4.79% | 0.00% | to | 1.55% | -28.63% | to | -27.50% |
| 2007 | 13,148 | \$12.66 | to | \$13.20 | \$168,990 | 1.82% | 0.00% | to | 1.55% | 2.76% | to | 4.05% |
| 2006 | 7,004 | \$12.32 | to | \$12.60 | \$86,924 | 1.22% | 0.30% | to | 1.55% | 13.00% | to | 14.01% |
| 2005 | 1,752 | \$10.91 | to | \$11.01 | \$19,163 | (b) | 0.50% | to | 1.50% | | | (b) |
| 2004 | (b) | | | (b) | (b) | (b) | | | (b) | | | (b) |
| ING T. Rowe Price Equity Income Portfolio - Adviser Class | | | | | | | | | | | | |
| 2008 | 116 | | | \$7.90 | \$918 | 3.48% | | | 0.35% | | | -36.19% |
| 2007 | 93 | | | \$12.38 | \$1,151 | 1.02% | | | 0.35% | | | 2.40% |
| 2006 | 18 | | | \$12.09 | \$215 | (c) | | | 0.35% | | | (c) |
| 2005 | (c) | | | (c) | (c) | (c) | | | (c) | | | (c) |
| 2004 | (c) | | | (c) | (c) | (c) | | | (c) | | | (c) |
| ING T. Rowe Price Equity Income Portfolio - Service Class | | | | | | | | | | | | |
| 2008 | 6,475 | \$6.23 | to | \$12.30 | \$74,508 | 4.58% | 0.00% | to | 1.65% | -36.69% | to | -35.67% |
| 2007 | 5,633 | \$13.02 | to | \$19.12 | \$101,704 | 1.42% | 0.00% | to | 1.65% | 1.35% | to | 2.78% |
| 2006 | 4,956 | \$12.72 | to | \$18.46 | \$87,796 | 1.34% | 0.15% | to | 1.65% | 17.21% | to | 18.68% |
| 2005 | 3,660 | \$11.39 | to | \$15.47 | \$54,938 | 1.28% | 0.30% | to | 1.55% | 2.34% | to | 3.36% |
| 2004 | 2,052 | \$11.13 | to | \$14.87 | \$30,123 | 1.48% | 0.50% | to | 1.55% | 13.15% | to | 14.30% |
| ING Templeton Global Growth Portfolio - Institutional Class | | | | | | | | | | | | |
| 2008 | 77 | \$9.86 | to | \$10.17 | \$774 | 1.43% | 0.60% | to | 1.75% | -40.67% | to | -39.96% |
| 2007 | 71 | \$16.62 | to | \$16.94 | \$1,186 | - | 0.75% | to | 1.90% | | | 1.70% |
| 2006 | - | | | \$16.50 | - | (c) | | | 1.00% | | | (c) |
| 2005 | (c) | | | (c) | (c) | (c) | | | (c) | | | (c) |
| 2004 | (c) | | | (c) | (c) | (c) | | | (c) | | | (c) |
| ING Templeton Global Growth Portfolio - Service Class | | | | | | | | | | | | |
| 2008 | 315 | \$5.90 | to | \$6.89 | \$2,110 | 1.09% | 0.00% | to | 1.50% | -40.57% | to | -39.86% |
| 2007 | 253 | \$11.14 | to | \$11.39 | \$2,833 | 1.27% | 0.30% | to | 1.50% | 0.91% | to | 1.98% |
| 2006 | 128 | \$11.04 | to | \$11.11 | \$1,421 | (c) | 0.50% | to | 1.50% | | | (c) |
| 2005 | (c) | | | (c) | (c) | (c) | | | (c) | | | (c) |
| 2004 | (c) | | | (c) | (c) | (c) | | | (c) | | | (c) |

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| | Units* (000's) | Unit Fair Value (lowest to highest) | Net Assets (000's) | Investment Income Ratio^A | Expense Ratio^B (lowest to highest) | Total Return^C (lowest to highest) |
|---------------------------------------------------------------|---------------------------------|------------------------------------------------------|-------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------|
| ING Van Kampen Capital Growth Portfolio - Institutional Class | | | | | | |
| 2008 | 66 | \$5.36 to \$5.56 | \$362 | (e) | 0.00% to 1.50% | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2006 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2005 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2004 | (e) | (e) | (e) | (e) | (e) | (e) |
| ING Van Kampen Capital Growth Portfolio - Service Class | | | | | | |
| 2008 | 21 | \$5.49 to \$6.98 | \$145 | - | 0.00% to 1.45% | -49.60% to -49.27% |
| 2007 | 6 | \$13.67 to \$13.76 | \$87 | - | 0.00% to 0.50% | 20.76% |
| 2006 | 1 | \$11.32 | \$14 | (c) | 0.50% | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |
| ING Van Kampen Growth and Income Portfolio - Service Class | | | | | | |
| 2008 | 1,513 | \$6.57 to \$8.98 | \$13,111 | 4.08% | 0.00% to 1.50% | -33.23% to -32.23% |
| 2007 | 1,338 | \$12.73 to \$13.25 | \$17,288 | 1.68% | 0.00% to 1.50% | 1.03% to 2.11% |
| 2006 | 1,237 | \$12.60 to \$12.88 | \$15,704 | 1.19% | 0.40% to 1.50% | 14.34% to 15.41% |
| 2005 | 759 | \$11.02 to \$11.12 | \$8,388 | (b) | 0.50% to 1.50% | (b) |
| 2004 | (b) | (b) | (b) | (b) | (b) | (b) |
| ING Van Kampen Real Estate Portfolio - Institutional Class | | | | | | |
| 2008 | 117 | \$6.16 | \$724 | 1.92% | 0.95% | -38.89% |
| 2007 | 94 | \$9.91 to \$10.08 | \$942 | (h) | 0.95% to 1.95% | (h) |
| 2006 | 61 | \$12.34 | \$754 | (c) | 0.95% | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |
| ING Van Kampen Real Estate Portfolio - Service Class | | | | | | |
| 2008 | 2,819 | \$5.33 to \$6.27 | \$17,289 | 1.39% | 0.00% to 1.50% | -39.46% to -38.53% |
| 2007 | 2,072 | \$9.95 to \$10.20 | \$20,838 | 1.31% | 0.00% to 1.50% | -18.97% to -18.11% |
| 2006 | 1,372 | \$12.28 to \$12.39 | \$16,905 | (c) | 0.35% to 1.50% | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |

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| | Units* | Unit Fair Value | | | Net Assets | Investment | Expense Ratio ^B | | | Total Return ^C | | |
|------------------------------------------------------------------------|---------|---------------------|---------|---------|------------|---------------------------|----------------------------|-------|-------|---------------------------|----|---------|
| | (000's) | (lowest to highest) | | | (000's) | Income Ratio ^A | (lowest to highest) | | | (lowest to highest) | | |
| ING VP Index Plus International Equity Portfolio - Institutional Class | | | | | | | | | | | | |
| 2008 | 1,952 | \$5.22 | to | \$6.11 | \$11,371 | 6.69% | 0.00% | to | 1.50% | -50.88% | to | -43.74% |
| 2007 | 2,140 | \$9.41 | to | \$10.86 | \$22,362 | (d) | 0.00% | to | 1.50% | | | (d) |
| 2006 | (d) | | (d) | | (d) | (d) | | (d) | | | | (d) |
| 2005 | (d) | | (d) | | (d) | (d) | | (d) | | | | (d) |
| 2004 | (d) | | (d) | | (d) | (d) | | (d) | | | | (d) |
| ING VP Index Plus International Equity Portfolio - Service Class | | | | | | | | | | | | |
| 2008 | 454 | \$5.37 | to | \$6.66 | \$2,933 | 6.11% | 0.00% | to | 1.50% | -44.65% | to | -43.98% |
| 2007 | 612 | \$10.84 | to | \$11.88 | \$7,116 | - | 0.25% | to | 1.50% | 6.54% | to | 7.60% |
| 2006 | 232 | \$10.85 | to | \$11.10 | \$2,537 | (c) | 0.40% | to | 1.50% | | | (c) |
| 2005 | (c) | | (c) | | (c) | (c) | | (c) | | | | (c) |
| 2004 | (c) | | (c) | | (c) | (c) | | (c) | | | | (c) |
| ING Wells Fargo Small Cap Disciplined Portfolio - Service Class | | | | | | | | | | | | |
| 2008 | 142 | \$6.44 | to | \$6.86 | \$947 | 0.71% | 0.00% | to | 1.50% | -33.77% | to | -33.04% |
| 2007 | 102 | \$9.94 | to | \$10.16 | \$1,022 | - | 0.40% | to | 1.50% | -5.15% | to | -4.17% |
| 2006 | 109 | \$10.42 | to | \$10.56 | \$1,141 | (c) | 0.50% | to | 1.50% | | | (c) |
| 2005 | (c) | | (c) | | (c) | (c) | | (c) | | | | (c) |
| 2004 | (c) | | (c) | | (c) | (c) | | (c) | | | | (c) |
| ING International Growth Opportunities Fund - Class Q | | | | | | | | | | | | |
| 2008 | 1 | \$7.78 | to | \$7.92 | \$7 | - | 1.05% | to | 1.40% | -55.11% | to | -54.92% |
| 2007 | 1 | \$17.33 | to | \$17.57 | \$11 | - | 1.05% | to | 1.40% | | | 17.02% |
| 2006 | - | \$14.81 | to | \$14.88 | \$7 | 1.16% | 1.25% | to | 1.40% | | | 18.47% |
| 2005 | - | | \$12.56 | | \$2 | (b) | | 1.25% | | | | (b) |
| 2004 | (b) | | (b) | | (b) | (b) | | (b) | | | | (b) |
| ING International SmallCap Multi-Manager Fund - Class A | | | | | | | | | | | | |
| 2008 | 131 | \$9.05 | to | \$9.84 | \$1,261 | 2.18% | 0.00% | to | 1.70% | -52.54% | to | -51.81% |
| 2007 | 111 | \$19.07 | to | \$20.42 | \$2,221 | 0.85% | 0.00% | to | 1.75% | 8.61% | to | 9.75% |
| 2006 | 46 | \$17.77 | to | \$18.40 | \$837 | 0.79% | 0.25% | to | 1.45% | | | 24.53% |
| 2005 | 20 | \$14.35 | to | \$14.52 | \$283 | (b) | 0.60% | to | 1.25% | | | (b) |
| 2004 | (b) | | (b) | | (b) | (b) | | (b) | | | | (b) |

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| | Units* (000's) | Unit Fair Value (lowest to highest) | Net Assets (000's) | Investment Income Ratio^A | Expense Ratio^B (lowest to highest) | Total Return^C (lowest to highest) |
|--------------------------------------------------------------------|---------------------------------|------------------------------------------------------|-------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------|
| ING American Century Large Company Value Portfolio - Adviser Class | | | | | | |
| 2008 | 11 | \$7.36 | \$78 | 12.20% | 0.35% | -37.41% |
| 2007 | 7 | \$11.76 | \$86 | - | 0.35% | -2.49% |
| 2006 | 1 | \$12.06 | \$9 | (c) | 0.35% | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |
| ING American Century Large Company Value Portfolio - Service Class | | | | | | |
| 2008 | 298 | \$6.03 to \$10.54 | \$2,817 | 14.21% | 0.00% to 1.50% | -51.68% to -37.15% |
| 2007 | 287 | \$12.32 to \$16.77 | \$4,430 | 1.28% | 0.25% to 1.50% | -3.48% to 24.57% |
| 2006 | 338 | \$12.66 to \$16.94 | \$5,290 | 0.25% | 0.40% to 1.50% | 17.53% to 18.71% |
| 2005 | 330 | \$10.74 to \$14.47 | \$4,395 | 0.98% | 0.50% to 1.50% | -0.22% to 0.71% |
| 2004 | 427 | \$10.74 to \$14.14 | \$5,760 | 0.92% | 0.55% to 1.50% | 8.37% to 9.44% |
| ING American Century Small-Mid Cap Value Portfolio - Adviser Class | | | | | | |
| 2008 | 5 | \$8.28 | \$39 | 2.63% | 0.35% | -26.92% |
| 2007 | 3 | \$11.33 | \$37 | - | 0.35% | -3.49% |
| 2006 | 2 | \$11.74 | \$22 | (c) | 0.35% | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |
| ING American Century Small-Mid Cap Value Portfolio - Service Class | | | | | | |
| 2008 | 1,988 | \$7.00 to \$11.90 | \$22,075 | 0.80% | 0.00% to 1.50% | -27.69% to -26.54% |
| 2007 | 1,876 | \$12.60 to \$16.20 | \$28,635 | 0.41% | 0.00% to 1.50% | -4.31% to -2.91% |
| 2006 | 2,128 | \$13.07 to \$16.49 | \$33,826 | 0.02% | 0.00% to 1.50% | 13.67% to 15.48% |
| 2005 | 2,244 | \$12.37 to \$14.45 | \$31,597 | 0.19% | 0.00% to 1.50% | 6.27% to 7.85% |
| 2004 | 1,961 | \$11.64 to \$13.29 | \$25,577 | 0.04% | 0.00% to 1.50% | 19.50% to 20.75% |
| ING Baron Asset Portfolio - Service Class | | | | | | |
| 2008 | 333 | \$5.75 to \$6.53 | \$2,126 | - | 0.00% to 1.55% | -42.00% to -41.06% |
| 2007 | 294 | \$10.76 to \$11.08 | \$3,217 | - | 0.00% to 1.75% | 7.35% to 8.38% |
| 2006 | 30 | \$10.07 to \$10.14 | \$306 | (c) | 0.50% to 1.50% | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |

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| | Units* (000's) | Unit Fair Value (lowest to highest) | Net Assets (000's) | Investment Income Ratio^A | Expense Ratio^B (lowest to highest) | Total Return^C (lowest to highest) |
|-----------------------------------------------------------|---------------------------------|------------------------------------------------------|-------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------|
| ING Baron Small Cap Growth Portfolio - Adviser Class | | | | | | |
| 2008 | 30 | \$7.25 | \$216 | - | 0.35% | -41.58% |
| 2007 | 21 | \$12.41 | \$257 | - | 0.35% | 5.44% |
| 2006 | 5 | \$11.77 | \$63 | (c) | 0.35% | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |
| ING Baron Small Cap Growth Portfolio - Service Class | | | | | | |
| 2008 | 6,207 | \$5.66 to \$12.23 | \$66,236 | - | 0.00% to 1.55% | -42.18% to -41.24% |
| 2007 | 5,880 | \$9.67 to \$21.03 | \$108,700 | - | 0.00% to 1.55% | 4.48% to 6.07% |
| 2006 | 5,135 | \$12.61 to \$20.02 | \$91,451 | - | 0.00% to 1.55% | 13.49% to 15.25% |
| 2005 | 5,042 | \$12.81 to \$17.55 | \$79,169 | - | 0.00% to 1.50% | 5.78% to 7.37% |
| 2004 | 3,951 | \$12.10 to \$16.51 | \$58,317 | - | 0.00% to 1.50% | 26.05% to 27.38% |
| ING Columbia Small Cap Value II Portfolio - Service Class | | | | | | |
| 2008 | 142 | \$6.62 to \$6.89 | \$953 | 0.11% | 0.00% to 1.50% | -35.06% to -34.36% |
| 2007 | 77 | \$10.19 to \$10.42 | \$796 | - | 0.25% to 1.50% | 1.39% to 2.47% |
| 2006 | 4 | \$10.05 to \$10.11 | \$39 | (c) | 0.55% to 1.50% | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |
| ING Davis New York Venture Portfolio - Service Class | | | | | | |
| 2008 | 735 | \$5.94 to \$13.79 | \$8,589 | 0.78% | 0.00% to 1.50% | -40.12% to -39.39% |
| 2007 | 575 | \$12.23 to \$22.34 | \$11,313 | 0.25% | 0.25% to 1.50% | 2.63% to 3.63% |
| 2006 | 485 | \$11.91 to \$21.23 | \$9,468 | 0.01% | 0.40% to 1.50% | 12.12% to 13.29% |
| 2005 | 418 | \$10.64 to \$19.00 | \$7,330 | - | 0.50% to 1.50% | 2.39% to 3.31% |
| 2004 | 602 | \$11.12 to \$18.10 | \$10,359 | - | 0.55% to 1.50% | 6.81% to 7.87% |
| ING Fidelity® VIP Mid Cap Portfolio - Service Class | | | | | | |
| 2008 | 911 | \$7.36 to \$7.45 | \$6,707 | 0.37% | 0.00% to 0.50% | -40.11% to -39.77% |
| 2007 | 329 | \$12.29 to \$12.37 | \$4,044 | 0.05% | 0.00% to 0.50% | 14.43% |
| 2006 | 10 | \$10.74 | \$110 | (c) | 0.50% | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |

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|-----------------------------------------------------|---------------------------------|------------------------------------------------------|-------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------|
| ING Index Solution 2015 Portfolio - Adviser Class | | | | | | |
| 2008 | 5 | \$7.91 to \$7.95 | \$37 | (e) | 0.70% to 1.35% | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2006 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2005 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2004 | (e) | (e) | (e) | (e) | (e) | (e) |
| ING Index Solution 2025 Portfolio - Adviser Class | | | | | | |
| 2008 | 11 | \$7.19 | \$81 | (e) | 1.35% | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2006 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2005 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2004 | (e) | (e) | (e) | (e) | (e) | (e) |
| ING Index Solution 2035 Portfolio - Adviser Class | | | | | | |
| 2008 | 7 | \$6.81 | \$51 | (e) | 1.35% | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2006 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2005 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2004 | (e) | (e) | (e) | (e) | (e) | (e) |
| ING Index Solution 2045 Portfolio - Adviser Class | | | | | | |
| 2008 | 1 | \$6.43 | \$6 | (e) | 1.35% | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2006 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2005 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2004 | (e) | (e) | (e) | (e) | (e) | (e) |
| ING Index Solution Income Portfolio - Adviser Class | | | | | | |
| 2008 | - | \$8.90 | \$1 | (e) | 0.70% | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2006 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2005 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2004 | (e) | (e) | (e) | (e) | (e) | (e) |

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|---------------------------------------------------------------------|---------------------------------|------------------------------------------------------|-------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------|
| ING JPMorgan Mid Cap Value Portfolio - Adviser Class | | | | | | |
| 2008 | 30 | \$8.08 | \$245 | 1.58% | 0.35% | -33.44% |
| 2007 | 32 | \$12.14 | \$386 | 0.42% | 0.35% | 1.76% |
| 2006 | 8 | \$11.93 | \$91 | (c) | 0.35% | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |
| ING JPMorgan Mid Cap Value Portfolio - Service Class | | | | | | |
| 2008 | 1,843 | \$6.51 to \$12.56 | \$21,120 | 2.10% | 0.00% to 1.55% | -34.08% to -33.01% |
| 2007 | 2,021 | \$9.76 to \$18.54 | \$34,984 | 0.57% | 0.00% to 1.55% | 0.77% to 2.37% |
| 2006 | 1,892 | \$12.72 to \$18.11 | \$32,578 | 0.01% | 0.00% to 1.55% | 14.78% to 16.46% |
| 2005 | 1,597 | \$12.54 to \$15.64 | \$24,333 | 0.34% | 0.00% to 1.50% | 6.89% to 8.51% |
| 2004 | 1,022 | \$11.71 to \$14.33 | \$14,426 | 0.22% | 0.00% to 1.50% | 18.76% to 20.12% |
| ING Legg Mason Partners Aggressive Growth Portfolio - Adviser Class | | | | | | |
| 2008 | 9 | \$6.57 | \$60 | - | 0.35% | -39.72% |
| 2007 | 9 | \$10.90 | \$96 | - | 0.35% | -2.50% |
| 2006 | 2 | \$11.18 | \$17 | (c) | 0.35% | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |
| ING Legg Mason Partners Aggressive Growth Portfolio - Initial Class | | | | | | |
| 2008 | 10,314 | \$5.85 to \$10.74 | \$84,378 | - | 0.00% to 1.50% | -40.13% to -9.45% |
| 2007 | 11,836 | \$9.78 to \$17.67 | \$161,023 | - | 0.00% to 1.50% | -35.62% to -1.59% |
| 2006 | 14,531 | \$10.02 to \$17.96 | \$203,807 | - | 0.00% to 1.50% | 8.64% to 10.32% |
| 2005 | 16,715 | \$9.15 to \$16.28 | \$213,925 | - | 0.00% to 1.50% | 9.77% to 11.43% |
| 2004 | 19,676 | \$8.28 to \$14.64 | \$228,353 | - | 0.00% to 1.50% | 7.99% to 26.50% |
| ING Legg Mason Partners Aggressive Growth Portfolio - Service Class | | | | | | |
| 2008 | 16 | \$7.11 to \$7.56 | \$120 | - | 0.00% to 1.25% | -40.10% to -39.33% |
| 2007 | 7 | \$11.87 to \$12.46 | \$87 | - | 0.00% to 1.25% | -3.10% to -2.39% |
| 2006 | 7 | \$12.25 to \$12.63 | \$82 | - | 0.20% to 1.25% | 8.70% to 9.15% |
| 2005 | 3 | \$11.27 to \$11.37 | \$36 | (f) | 0.80% to 1.25% | (f) |
| 2004 | 2 | \$10.32 | \$16 | (a) | 0.70% | (a) |

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|------------------------------------------------------------|---------------------------------|------------------------------------------------------|-------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------|
| ING Neuberger Berman Partners Portfolio - Service Class | | | | | | |
| 2008 | 360 | \$4.85 to \$5.59 | \$1,966 | - | 0.00% to 1.50% | -52.01% to -51.49% |
| 2007 | 201 | \$11.19 to \$11.44 | \$2,266 | 0.24% | 0.30% to 1.50% | 7.16% to 8.07% |
| 2006 | 22 | \$10.47 to \$10.53 | \$232 | (c) | 0.50% to 1.30% | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |
| ING Oppenheimer Global Portfolio - Adviser Class | | | | | | |
| 2008 | 31 | \$7.66 | \$238 | 2.32% | 0.35% | -40.85% |
| 2007 | 28 | \$12.95 | \$365 | 0.43% | 0.35% | 5.63% |
| 2006 | 8 | \$12.26 | \$96 | (c) | 0.35% | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |
| ING Oppenheimer Global Portfolio - Initial Class | | | | | | |
| 2008 | 49,538 | \$5.74 to \$9.22 | \$423,940 | 2.29% | 0.00% to 1.95% | -43.34% to -38.16% |
| 2007 | 57,612 | \$14.09 to \$15.45 | \$840,722 | 1.09% | 0.00% to 1.80% | 1.35% to 11.82% |
| 2006 | 67,277 | \$13.46 to \$14.50 | \$921,330 | 0.07% | 0.00% to 1.80% | 10.53% to 17.98% |
| 2005 | 74,501 | \$11.62 to \$12.29 | \$881,737 | (b) | 0.00% to 1.80% | (b) |
| 2004 | (b) | (b) | (b) | (b) | (b) | (b) |
| ING Oppenheimer Global Portfolio - Service Class | | | | | | |
| 2008 | 27 | \$9.87 to \$10.03 | \$267 | 1.98% | 1.00% to 1.25% | -41.18% to -41.07% |
| 2007 | 26 | \$16.78 to \$17.02 | \$439 | 1.20% | 1.00% to 1.25% | 5.01% to 5.26% |
| 2006 | 11 | \$15.98 to \$16.17 | \$180 | 0.09% | 1.00% to 1.25% | 16.13% to 16.13% |
| 2005 | 1 | \$13.76 | \$20 | - | 1.25% | 11.87% |
| 2004 | 182 | \$12.22 to \$12.52 | \$2,264 | - | 0.60% to 1.50% | 13.36% to 14.26% |
| ING Oppenheimer Strategic Income Portfolio - Adviser Class | | | | | | |
| 2008 | 26 | \$9.84 | \$258 | 6.75% | 0.35% | -16.26% |
| 2007 | 23 | \$11.75 | \$275 | 4.98% | 0.35% | 8.00% |
| 2006 | 12 | \$10.88 | \$127 | (c) | 0.35% | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |

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| | Units* | Unit Fair Value | | | Net Assets | Investment | Expense Ratio ^B | | | Total Return ^C | | |
|------------------------------------------------------------|---------|---------------------|----|---------|------------|---------------------------|----------------------------|----|-------|---------------------------|----|---------|
| | (000's) | (lowest to highest) | | | (000's) | Income Ratio ^A | (lowest to highest) | | | (lowest to highest) | | |
| ING Oppenheimer Strategic Income Portfolio - Initial Class | | | | | | | | | | | | |
| 2008 | 11,204 | \$8.50 | to | \$10.20 | \$109,367 | 5.72% | 0.00% | to | 1.95% | -17.26% | to | -14.92% |
| 2007 | 10,776 | \$11.42 | to | \$12.08 | \$125,688 | 4.51% | 0.00% | to | 1.95% | 5.82% | to | 10.12% |
| 2006 | 10,430 | \$10.67 | to | \$11.11 | \$112,893 | 0.39% | 0.00% | to | 1.95% | 6.22% | to | 8.39% |
| 2005 | 11,390 | \$9.99 | to | \$10.25 | \$116,350 | (b) | 0.00% | to | 1.50% | | | (b) |
| 2004 | (b) | | | (b) | (b) | (b) | | | (b) | | | (b) |
| ING Oppenheimer Strategic Income Portfolio - Service Class | | | | | | | | | | | | |
| 2008 | 25 | \$8.59 | to | \$9.50 | \$216 | 0.40% | 0.40% | to | 1.50% | | | -17.03% |
| 2007 | 330 | \$11.45 | to | \$11.58 | \$3,826 | (d) | 0.95% | to | 1.50% | | | (d) |
| 2006 | (d) | | | (d) | (d) | (d) | | | (d) | | | (d) |
| 2005 | (d) | | | (d) | (d) | (d) | | | (d) | | | (d) |
| 2004 | (d) | | | (d) | (d) | (d) | | | (d) | | | (d) |
| ING PIMCO Total Return Portfolio - Adviser Class | | | | | | | | | | | | |
| 2008 | 77 | | | \$11.34 | \$870 | 5.48% | | | 0.35% | | | -0.79% |
| 2007 | 48 | | | \$11.43 | \$554 | 4.13% | | | 0.35% | | | 8.75% |
| 2006 | 26 | | | \$10.51 | \$269 | (c) | | | 0.35% | | | (c) |
| 2005 | (c) | | | (c) | (c) | (c) | | | (c) | | | (c) |
| 2004 | (c) | | | (c) | (c) | (c) | | | (c) | | | (c) |
| ING PIMCO Total Return Portfolio - Service Class | | | | | | | | | | | | |
| 2008 | 8,434 | \$10.17 | to | \$13.60 | \$104,849 | 5.43% | 0.00% | to | 1.95% | -1.87% | to | -0.25% |
| 2007 | 6,608 | \$10.22 | to | \$13.44 | \$83,010 | 3.25% | 0.00% | to | 1.75% | 7.71% | to | 9.17% |
| 2006 | 5,395 | \$10.50 | to | \$12.26 | \$62,923 | 1.70% | 0.20% | to | 1.55% | 2.47% | to | 3.64% |
| 2005 | 4,813 | \$10.27 | to | \$11.91 | \$54,953 | 1.68% | 0.35% | to | 1.50% | 0.53% | to | 1.72% |
| 2004 | 3,872 | \$10.21 | to | \$11.64 | \$43,692 | - | 0.40% | to | 1.50% | 2.73% | to | 3.93% |
| ING Pioneer High Yield Portfolio - Initial Class | | | | | | | | | | | | |
| 2008 | 508 | \$6.96 | to | \$7.99 | \$3,967 | 8.59% | 0.00% | to | 1.50% | -30.43% | to | -29.42% |
| 2007 | 465 | \$11.04 | to | \$11.32 | \$5,184 | 6.31% | 0.00% | to | 1.50% | 4.55% | to | 6.19% |
| 2006 | 94 | \$10.56 | to | \$10.66 | \$1,000 | (c) | 0.00% | to | 1.50% | | | (c) |
| 2005 | (c) | | | (c) | (c) | (c) | | | (c) | | | (c) |
| 2004 | (c) | | | (c) | (c) | (c) | | | (c) | | | (c) |

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| | Units* | Unit Fair Value | | | Net Assets | Investment | Expense Ratio ^B | | | Total Return ^C | | | |
|--------------------------------------------------|---------|---------------------|----|---------|------------|---------------------------|----------------------------|----|-------|---------------------------|----|---------|--|
| | (000's) | (lowest to highest) | | | (000's) | Income Ratio ^A | (lowest to highest) | | | (lowest to highest) | | | |
| ING Pioneer High Yield Portfolio - Service Class | | | | | | | | | | | | | |
| 2008 | 11 | \$7.65 | to | \$7.79 | \$81 | 7.95% | 0.70% | to | 1.40% | -30.49% | to | -30.32% | |
| 2007 | 9 | \$11.02 | to | \$11.11 | \$95 | 5.94% | 0.85% | to | 1.35% | 4.82% | | | |
| 2006 | 1 | \$10.56 | to | \$10.60 | \$6 | (c) | 0.70% | to | 1.20% | (c) | | | |
| 2005 | (c) | (c) | | | (c) | (c) | (c) | | | (c) | | | |
| 2004 | (c) | (c) | | | (c) | (c) | (c) | | | (c) | | | |
| ING Solution 2015 Portfolio - Adviser Class | | | | | | | | | | | | | |
| 2008 | 1,203 | \$8.52 | to | \$9.03 | \$10,621 | 1.79% | 0.00% | to | 1.55% | -28.20% | to | -27.06% | |
| 2007 | 800 | \$11.72 | to | \$12.38 | \$9,750 | 0.70% | 0.00% | to | 1.55% | 2.68% | to | 4.06% | |
| 2006 | 243 | \$11.27 | to | \$11.83 | \$2,850 | 0.17% | 0.20% | to | 1.55% | 9.47% | to | 10.26% | |
| 2005 | 41 | \$10.66 | to | \$10.72 | \$440 | (b) | 0.25% | to | 1.05% | (b) | | | |
| 2004 | (b) | (b) | | | (b) | (b) | (b) | | | (b) | | | |
| ING Solution 2015 Portfolio - Service Class | | | | | | | | | | | | | |
| 2008 | 3,218 | \$7.17 | to | \$9.13 | \$28,425 | 1.76% | 0.00% | to | 1.50% | -27.98% | to | -26.84% | |
| 2007 | 2,485 | \$11.99 | to | \$12.48 | \$30,299 | 0.55% | 0.00% | to | 1.50% | 3.01% | to | 4.61% | |
| 2006 | 1,294 | \$11.64 | to | \$11.93 | \$15,208 | 0.16% | 0.00% | to | 1.50% | 9.18% | to | 10.25% | |
| 2005 | 185 | \$10.66 | to | \$10.76 | \$1,980 | (b) | 0.50% | to | 1.50% | (b) | | | |
| 2004 | (b) | (b) | | | (b) | (b) | (b) | | | (b) | | | |
| ING Solution 2025 Portfolio - Adviser Class | | | | | | | | | | | | | |
| 2008 | 1,449 | \$7.86 | to | \$8.49 | \$12,028 | 1.43% | 0.00% | to | 1.55% | -34.96% | to | -33.93% | |
| 2007 | 957 | \$11.94 | to | \$12.85 | \$12,103 | 0.50% | 0.00% | to | 1.55% | 2.66% | to | 3.99% | |
| 2006 | 360 | \$12.01 | to | \$12.29 | \$4,390 | 0.22% | 0.20% | to | 1.55% | 11.19% | to | 12.15% | |
| 2005 | 24 | \$10.89 | to | \$10.95 | \$266 | (b) | 0.25% | to | 1.05% | (b) | | | |
| 2004 | (b) | (b) | | | (b) | (b) | (b) | | | (b) | | | |
| ING Solution 2025 Portfolio - Service Class | | | | | | | | | | | | | |
| 2008 | 4,569 | \$6.43 | to | \$8.57 | \$37,936 | 1.41% | 0.00% | to | 1.50% | -34.86% | to | -33.95% | |
| 2007 | 3,127 | \$9.87 | to | \$12.96 | \$39,563 | 0.41% | 0.00% | to | 1.50% | 3.06% | to | 4.31% | |
| 2006 | 1,488 | \$12.08 | to | \$12.38 | \$18,183 | 0.24% | 0.00% | to | 1.50% | 10.93% | to | 12.04% | |
| 2005 | 176 | \$10.89 | to | \$10.99 | \$1,918 | (b) | 0.50% | to | 1.50% | (b) | | | |
| 2004 | (b) | (b) | | | (b) | (b) | (b) | | | (b) | | | |

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| | Units* | Unit Fair Value | | | Net Assets | Investment | Expense Ratio ^B | | | Total Return ^C | | |
|----------------------------------------------------------|---------|---------------------|----|---------|------------|---------------------------|----------------------------|----|-------|---------------------------|----|---------|
| | (000's) | (lowest to highest) | | | (000's) | Income Ratio ^A | (lowest to highest) | | | (lowest to highest) | | |
| ING Solution 2035 Portfolio - Adviser Class | | | | | | | | | | | | |
| 2008 | 1,196 | \$7.66 | to | \$8.36 | \$9,767 | 1.45% | 0.00% | to | 1.55% | -38.14% | to | -37.24% |
| 2007 | 750 | \$12.24 | to | \$13.32 | \$9,830 | 0.44% | 0.00% | to | 1.55% | 3.40% | to | 4.75% |
| 2006 | 307 | \$11.69 | to | \$12.64 | \$3,854 | 0.11% | 0.20% | to | 1.55% | 12.75% | to | 13.68% |
| 2005 | 40 | \$11.05 | to | \$11.11 | \$440 | (b) | 0.25% | to | 1.05% | | | (b) |
| 2004 | (b) | | | (b) | (b) | (b) | | | (b) | | | (b) |
| ING Solution 2035 Portfolio - Service Class | | | | | | | | | | | | |
| 2008 | 3,386 | \$6.11 | to | \$8.45 | \$27,711 | 1.40% | 0.00% | to | 1.50% | -37.97% | to | -36.99% |
| 2007 | 2,101 | \$12.88 | to | \$13.41 | \$27,544 | 0.44% | 0.00% | to | 1.50% | 3.70% | to | 4.98% |
| 2006 | 956 | \$12.42 | to | \$12.74 | \$12,006 | 0.11% | 0.00% | to | 1.50% | 12.40% | to | 13.58% |
| 2005 | 106 | \$11.05 | to | \$11.15 | \$1,176 | (b) | 0.50% | to | 1.50% | | | (b) |
| 2004 | (b) | | | (b) | (b) | (b) | | | (b) | | | (b) |
| ING Solution 2045 Portfolio - Adviser Class | | | | | | | | | | | | |
| 2008 | 797 | \$7.43 | to | \$8.26 | \$6,465 | 1.10% | 0.00% | to | 1.55% | -40.86% | to | -39.93% |
| 2007 | 579 | \$12.42 | to | \$13.75 | \$7,858 | 0.24% | 0.00% | to | 1.55% | 3.86% | to | 5.24% |
| 2006 | 174 | \$12.70 | to | \$12.99 | \$2,250 | 0.03% | 0.20% | to | 1.55% | 13.66% | to | 14.56% |
| 2005 | 23 | \$11.27 | to | \$11.33 | \$256 | (b) | 0.25% | to | 1.05% | | | (b) |
| 2004 | (b) | | | (b) | (b) | (b) | | | (b) | | | (b) |
| ING Solution 2045 Portfolio - Service Class | | | | | | | | | | | | |
| 2008 | 2,197 | \$5.82 | to | \$8.32 | \$17,688 | 1.13% | 0.00% | to | 1.50% | -40.72% | to | -39.88% |
| 2007 | 1,293 | \$9.89 | to | \$13.84 | \$17,462 | 0.25% | 0.00% | to | 1.50% | 4.15% | to | 5.38% |
| 2006 | 589 | \$12.76 | to | \$13.08 | \$7,586 | 0.03% | 0.00% | to | 1.50% | 13.32% | to | 14.47% |
| 2005 | 52 | \$11.26 | to | \$11.36 | \$586 | (b) | 0.50% | to | 1.50% | | | (b) |
| 2004 | (b) | | | (b) | (b) | (b) | | | (b) | | | (b) |
| ING Solution Growth and Income Portfolio - Service Class | | | | | | | | | | | | |
| 2008 | 82 | \$7.63 | to | \$7.69 | \$625 | (e) | 0.25% | to | 1.40% | | | (e) |
| 2007 | (e) | | | (e) | (e) | (e) | | | (e) | | | (e) |
| 2006 | (e) | | | (e) | (e) | (e) | | | (e) | | | (e) |
| 2005 | (e) | | | (e) | (e) | (e) | | | (e) | | | (e) |
| 2004 | (e) | | | (e) | (e) | (e) | | | (e) | | | (e) |

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| | Units* | Unit Fair Value | | Net Assets | Investment | Expense Ratio ^B | | | Total Return ^C | | |
|------------------------------------------------------------------------|---------|---------------------|------------|------------|---------------------------|----------------------------|----|-------|---------------------------|----|---------|
| | (000's) | (lowest to highest) | | (000's) | Income Ratio ^A | (lowest to highest) | | | (lowest to highest) | | |
| ING Solution Growth Portfolio - Service Class | | | | | | | | | | | |
| 2008 | 25 | \$6.91 | to \$6.96 | \$174 | (e) | 0.25% | to | 1.25% | (e) | | |
| 2007 | (e) | | (e) | (e) | (e) | | | (e) | (e) | | |
| 2006 | (e) | | (e) | (e) | (e) | | | (e) | (e) | | |
| 2005 | (e) | | (e) | (e) | (e) | | | (e) | (e) | | |
| 2004 | (e) | | (e) | (e) | (e) | | | (e) | (e) | | |
| ING Solution Income Portfolio - Adviser Class | | | | | | | | | | | |
| 2008 | 854 | \$9.19 | to \$9.68 | \$8,109 | 1.98% | 0.00% | to | 1.40% | -18.09% | to | -16.91% |
| 2007 | 646 | \$11.22 | to \$11.65 | \$7,427 | 0.90% | 0.00% | to | 1.40% | 3.41% | to | 4.70% |
| 2006 | 150 | \$10.85 | to \$11.07 | \$1,657 | 0.10% | 0.20% | to | 1.40% | 6.12% | to | 6.50% |
| 2005 | 4 | \$10.29 | to \$10.31 | \$40 | (b) | 0.70% | to | 1.00% | (b) | | |
| 2004 | (b) | | (b) | (b) | (b) | | | (b) | (b) | | |
| ING Solution Income Portfolio - Service Class | | | | | | | | | | | |
| 2008 | 733 | \$8.35 | to \$9.78 | \$6,949 | 2.09% | 0.00% | to | 1.50% | -17.91% | to | -16.70% |
| 2007 | 644 | \$11.28 | to \$11.74 | \$7,385 | 0.65% | 0.00% | to | 1.50% | 3.68% | to | 4.87% |
| 2006 | 250 | \$10.88 | to \$11.13 | \$2,746 | 0.16% | 0.15% | to | 1.50% | 5.73% | to | 6.76% |
| 2005 | 33 | \$10.29 | to \$10.36 | \$341 | (b) | 0.50% | to | 1.50% | (b) | | |
| 2004 | (b) | | (b) | (b) | (b) | | | (b) | (b) | | |
| ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Adviser Class | | | | | | | | | | | |
| 2008 | 30 | | \$7.17 | \$212 | - | | | 0.35% | | | -43.54% |
| 2007 | 29 | | \$12.70 | \$365 | - | | | 0.35% | | | 12.29% |
| 2006 | 3 | | \$11.31 | \$39 | (c) | | | 0.35% | | | (c) |
| 2005 | (c) | | (c) | (c) | (c) | | | (c) | | | (c) |
| 2004 | (c) | | (c) | (c) | (c) | | | (c) | | | (c) |
| ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Initial Class | | | | | | | | | | | |
| 2008 | 26,223 | \$5.53 | to \$8.17 | \$200,073 | 0.48% | 0.00% | to | 1.50% | -45.52% | to | -41.84% |
| 2007 | 28,669 | \$11.84 | to \$14.41 | \$389,300 | 0.19% | 0.00% | to | 1.50% | 6.13% | to | 16.20% |
| 2006 | 33,002 | \$10.59 | to \$12.72 | \$397,287 | - | 0.00% | to | 1.50% | 3.11% | to | 9.05% |
| 2005 | 38,267 | \$11.07 | to \$11.60 | \$429,422 | (b) | 0.00% | to | 1.50% | | | (b) |
| 2004 | (b) | | (b) | (b) | (b) | | | (b) | | | (b) |

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| | Units* | Unit Fair Value | | | Net Assets | Investment | Expense Ratio ^B | | | Total Return ^C | | |
|------------------------------------------------------------------------|---------|---------------------|----|---------|------------|---------------------------|----------------------------|----|-------|---------------------------|----|---------|
| | (000's) | (lowest to highest) | | | (000's) | Income Ratio ^A | (lowest to highest) | | | (lowest to highest) | | |
| ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Service Class | | | | | | | | | | | | |
| 2008 | 37 | \$5.56 | to | \$7.91 | \$272 | - | 0.00% | to | 1.25% | -44.01% | to | -43.26% |
| 2007 | 39 | \$9.93 | to | \$13.94 | \$514 | - | 0.00% | to | 1.25% | 11.57% | to | 12.61% |
| 2006 | 35 | \$8.90 | to | \$12.27 | \$425 | - | 0.20% | to | 1.25% | 7.62% | to | 8.39% |
| 2005 | 22 | \$8.27 | to | \$11.20 | \$230 | - | 0.55% | to | 1.25% | 7.59% | to | 7.88% |
| 2004 | 1,207 | \$7.62 | to | \$11.27 | \$9,594 | - | 0.45% | to | 1.50% | 6.87% | to | 8.09% |
| ING T. Rowe Price Growth Equity Portfolio - Adviser Class | | | | | | | | | | | | |
| 2008 | 103 | \$7.20 | | | \$743 | 0.32% | 0.35% | | | -42.72% | | |
| 2007 | 92 | \$12.57 | | | \$1,155 | - | 0.35% | | | 9.02% | | |
| 2006 | 12 | \$11.53 | | | \$143 | (c) | 0.35% | | | (c) | | |
| 2005 | (c) | (c) | | | (c) | (c) | (c) | | | (c) | | |
| 2004 | (c) | (c) | | | (c) | (c) | (c) | | | (c) | | |
| ING T. Rowe Price Growth Equity Portfolio - Initial Class | | | | | | | | | | | | |
| 2008 | 10,195 | \$5.63 | to | \$17.48 | \$141,775 | 1.37% | 0.00% | to | 1.50% | -43.12% | to | -30.59% |
| 2007 | 11,199 | \$10.39 | to | \$30.54 | \$275,025 | 0.48% | 0.00% | to | 1.50% | -10.73% | to | 9.89% |
| 2006 | 12,312 | \$9.60 | to | \$28.07 | \$281,531 | 0.24% | 0.00% | to | 1.50% | 11.63% | to | 13.33% |
| 2005 | 13,745 | \$11.71 | to | \$25.03 | \$282,041 | 0.48% | 0.00% | to | 1.50% | 4.59% | to | 6.15% |
| 2004 | 14,985 | \$11.28 | to | \$23.81 | \$291,385 | 0.16% | 0.00% | to | 1.50% | 8.36% | to | 10.00% |
| ING T. Rowe Price Growth Equity Portfolio - Service Class | | | | | | | | | | | | |
| 2008 | 126 | \$7.55 | to | \$8.84 | \$1,018 | 1.15% | 0.00% | to | 1.55% | -43.28% | to | -42.36% |
| 2007 | 88 | \$13.31 | to | \$15.48 | \$1,234 | 0.19% | 0.00% | to | 1.55% | 7.95% | to | 9.11% |
| 2006 | 67 | \$12.33 | to | \$14.27 | \$867 | - | 0.20% | to | 1.55% | 11.59% | to | 12.56% |
| 2005 | 39 | \$11.13 | to | \$12.75 | \$446 | 0.60% | 0.45% | to | 1.30% | 4.60% | to | 5.23% |
| 2004 | 20 | \$10.64 | to | \$12.16 | \$219 | (a) | 0.40% | to | 1.30% | (a) | | |
| ING Templeton Foreign Equity Portfolio - Adviser Class | | | | | | | | | | | | |
| 2008 | 23 | \$6.31 | | | \$143 | (e) | 0.35% | | | (e) | | |
| 2007 | (e) | (e) | | | (e) | (e) | (e) | | | (e) | | |
| 2006 | (e) | (e) | | | (e) | (e) | (e) | | | (e) | | |
| 2005 | (e) | (e) | | | (e) | (e) | (e) | | | (e) | | |
| 2004 | (e) | (e) | | | (e) | (e) | (e) | | | (e) | | |

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| | Units* (000's) | Unit Fair Value (lowest to highest) | Net Assets (000's) | Investment Income Ratio^A | Expense Ratio^B (lowest to highest) | Total Return^C (lowest to highest) |
|---------------------------------------------------------|---------------------------------|------------------------------------------------------|-------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------|
| ING Templeton Foreign Equity Portfolio - Initial Class | | | | | | |
| 2008 | 12,039 | \$6.23 to \$6.34 | \$75,608 | (e) | 0.00% to 1.50% | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2006 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2005 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2004 | (e) | (e) | (e) | (e) | (e) | (e) |
| ING Templeton Foreign Equity Portfolio - Service Class | | | | | | |
| 2008 | 5 | \$7.43 to \$7.71 | \$40 | 0.04% | 0.00% to 1.40% | -41.32% |
| 2007 | 425 | \$12.66 to \$12.99 | \$5,433 | 1.43% | 0.00% to 1.50% | 13.44% to 14.69% |
| 2006 | 27 | \$11.16 to \$11.23 | \$302 | (c) | 0.50% to 1.50% | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |
| ING Thornburg Value Portfolio - Adviser Class | | | | | | |
| 2008 | 39 | \$7.53 | \$295 | 0.25% | 0.35% | -40.24% |
| 2007 | 41 | \$12.60 | \$521 | - | 0.35% | 6.33% |
| 2006 | 5 | \$11.85 | \$54 | (c) | 0.35% | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |
| ING Thornburg Value Portfolio - Initial Class | | | | | | |
| 2008 | 4,224 | \$4.48 to \$21.60 | \$61,486 | 0.54% | 0.00% to 1.50% | -40.74% to -39.78% |
| 2007 | 4,540 | \$7.56 to \$36.21 | \$113,433 | 0.45% | 0.00% to 1.50% | 5.60% to 7.23% |
| 2006 | 5,003 | \$7.15 to \$34.10 | \$117,356 | 0.47% | 0.00% to 1.50% | 15.11% to 16.85% |
| 2005 | 5,863 | \$9.90 to \$29.48 | \$118,725 | 0.78% | 0.00% to 1.50% | 0.00% to 1.56% |
| 2004 | 7,187 | \$9.80 to \$29.32 | \$143,585 | 0.44% | 0.00% to 1.50% | 11.16% to 12.65% |
| ING UBS U.S. Large Cap Equity Portfolio - Adviser Class | | | | | | |
| 2008 | 6 | \$6.75 | \$43 | 3.57% | 0.35% | -40.27% |
| 2007 | 1 | \$11.30 | \$13 | (d) | 0.35% | (d) |
| 2006 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2005 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2004 | (d) | (d) | (d) | (d) | (d) | (d) |

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| | Units* (000's) | Unit Fair Value (lowest to highest) | Net Assets (000's) | Investment Income Ratio^A | Expense Ratio^B (lowest to highest) | Total Return^C (lowest to highest) |
|------------------------------------------------------------|---------------------------------|------------------------------------------------------|-------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------|
| ING UBS U.S. Large Cap Equity Portfolio - Initial Class | | | | | | |
| 2008 | 6,593 | \$5.74 to \$12.52 | \$64,277 | 2.42% | 0.00% to 1.95% | -40.95% to -5.47% |
| 2007 | 7,798 | \$11.71 to \$20.79 | \$126,472 | 0.72% | 0.00% to 1.95% | -37.09% to 1.17% |
| 2006 | 8,239 | \$11.75 to \$20.55 | \$135,280 | 0.80% | 0.00% to 1.95% | 12.23% to 14.55% |
| 2005 | 9,161 | \$10.42 to \$17.94 | \$134,490 | 0.87% | 0.00% to 1.50% | 7.49% to 9.39% |
| 2004 | 10,068 | \$9.67 to \$16.40 | \$135,468 | 0.78% | 0.00% to 1.50% | 13.00% to 15.41% |
| ING UBS U.S. Large Cap Equity Portfolio - Service Class | | | | | | |
| 2008 | 1 | \$6.56 | \$6 | - | 1.00% | -40.58% |
| 2007 | 1 | \$11.04 | \$6 | - | 1.00% | -0.09% |
| 2006 | - | \$11.05 | \$3 | (c) | 1.00% | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |
| ING Van Kampen Comstock Portfolio - Adviser Class | | | | | | |
| 2008 | 28 | \$7.35 | \$206 | 3.06% | 0.35% | -36.80% |
| 2007 | 33 | \$11.63 | \$382 | 1.50% | 0.35% | -2.92% |
| 2006 | 13 | \$11.98 | \$151 | (c) | 0.35% | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |
| ING Van Kampen Comstock Portfolio - Service Class | | | | | | |
| 2008 | 4,775 | \$6.03 to \$10.31 | \$42,974 | 3.72% | 0.00% to 1.95% | -37.70% to -36.68% |
| 2007 | 5,857 | \$12.01 to \$16.39 | \$83,912 | 1.24% | 0.25% to 1.95% | -3.74% to -2.54% |
| 2006 | 6,763 | \$12.38 to \$16.94 | \$100,241 | 0.74% | 0.30% to 1.95% | 13.56% to 15.52% |
| 2005 | 7,429 | \$11.46 to \$14.77 | \$98,136 | 0.60% | 0.00% to 1.50% | 1.97% to 3.10% |
| 2004 | 5,605 | \$11.21 to \$14.42 | \$71,730 | - | 0.40% to 1.95% | 15.01% to 16.27% |
| ING Van Kampen Equity and Income Portfolio - Adviser Class | | | | | | |
| 2008 | 35 | \$8.88 | \$308 | 7.05% | 0.35% | -24.04% |
| 2007 | 17 | \$11.69 | \$203 | 2.68% | 0.35% | 2.72% |
| 2006 | 2 | \$11.38 | \$21 | (c) | 0.35% | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |

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| | Units* | Unit Fair Value | | | Net Assets | Investment | Expense Ratio ^B | | | Total Return ^C | | |
|--------------------------------------------------------------|---------|---------------------|-----|---------|------------|---------------------------|----------------------------|-----|-------|---------------------------|----|---------|
| | (000's) | (lowest to highest) | | | (000's) | Income Ratio ^A | (lowest to highest) | | | (lowest to highest) | | |
| ING Van Kampen Equity and Income Portfolio - Initial Class | | | | | | | | | | | | |
| 2008 | 23,075 | \$7.48 | to | \$10.03 | \$216,996 | 5.17% | 0.00% | to | 1.95% | -30.76% | to | -21.09% |
| 2007 | 26,353 | \$11.95 | to | \$13.08 | \$325,269 | 2.45% | 0.00% | to | 1.95% | -1.13% | to | 8.09% |
| 2006 | 31,545 | \$11.77 | to | \$12.63 | \$378,557 | 1.93% | 0.00% | to | 1.95% | 6.18% | to | 12.67% |
| 2005 | 31,676 | \$10.66 | to | \$11.21 | \$344,729 | (b) | 0.00% | to | 1.50% | | | (b) |
| 2004 | (b) | | (b) | | (b) | (b) | | (b) | | | | (b) |
| ING Van Kampen Equity and Income Portfolio - Service Class | | | | | | | | | | | | |
| 2008 | 5 | \$29.41 | to | \$30.80 | \$157 | 5.22% | 0.60% | to | 1.25% | -24.51% | to | -24.03% |
| 2007 | 5 | \$12.58 | to | \$40.54 | \$188 | 2.88% | 0.60% | to | 1.25% | 2.02% | to | 2.66% |
| 2006 | 3 | \$12.33 | to | \$39.49 | \$90 | 2.00% | 0.60% | to | 1.25% | 10.98% | to | 11.31% |
| 2005 | - | \$11.11 | to | \$34.76 | \$13 | - | 1.00% | to | 1.25% | 6.42% | to | 6.69% |
| 2004 | 105 | \$10.44 | to | \$33.04 | \$2,372 | 0.37% | 0.55% | to | 1.50% | 8.97% | to | 9.99% |
| ING VP Strategic Allocation Conservative Portfolio - Class I | | | | | | | | | | | | |
| 2008 | 1,959 | \$7.64 | to | \$16.17 | \$25,840 | 4.38% | 0.00% | to | 1.95% | -25.08% | to | -23.58% |
| 2007 | 2,130 | \$11.88 | to | \$21.16 | \$37,661 | 3.11% | 0.00% | to | 1.95% | 4.12% | to | 5.81% |
| 2006 | 2,335 | \$11.41 | to | \$20.00 | \$39,520 | 2.61% | 0.00% | to | 1.95% | 6.22% | to | 8.40% |
| 2005 | 4,513 | \$10.97 | to | \$18.82 | \$73,683 | 1.50% | 0.00% | to | 1.70% | 3.09% | to | 4.67% |
| 2004 | 4,481 | \$10.67 | to | \$18.08 | \$70,666 | 1.25% | 0.00% | to | 1.55% | 8.56% | to | 9.97% |
| ING VP Strategic Allocation Growth Portfolio - Class I | | | | | | | | | | | | |
| 2008 | 4,099 | \$6.30 | to | \$15.01 | \$48,875 | 2.56% | 0.00% | to | 1.95% | -37.31% | to | -26.13% |
| 2007 | 4,414 | \$11.45 | to | \$23.47 | \$84,589 | 1.70% | 0.00% | to | 1.95% | -11.33% | to | 5.05% |
| 2006 | 4,732 | \$11.07 | to | \$22.35 | \$88,592 | 1.35% | 0.00% | to | 1.95% | 11.01% | to | 13.22% |
| 2005 | 4,786 | \$11.29 | to | \$19.77 | \$81,185 | 1.18% | 0.00% | to | 1.70% | 2.45% | to | 6.19% |
| 2004 | 5,143 | \$10.83 | to | \$18.78 | \$81,653 | 1.05% | 0.00% | to | 1.55% | 10.31% | to | 14.79% |
| ING VP Strategic Allocation Moderate Portfolio - Class I | | | | | | | | | | | | |
| 2008 | 3,902 | \$6.91 | to | \$15.34 | \$46,525 | 3.19% | 0.00% | to | 1.60% | -31.57% | to | -30.47% |
| 2007 | 4,075 | \$11.78 | to | \$22.07 | \$73,150 | 2.16% | 0.00% | to | 1.60% | 3.82% | to | 5.49% |
| 2006 | 4,726 | \$11.34 | to | \$20.93 | \$82,807 | 1.80% | 0.00% | to | 1.60% | 9.37% | to | 11.21% |
| 2005 | 2,405 | \$10.68 | to | \$18.45 | \$39,166 | 2.10% | 0.00% | to | 1.70% | 2.19% | to | 3.83% |
| 2004 | 2,282 | \$10.48 | to | \$17.77 | \$36,460 | 1.81% | 0.00% | to | 1.55% | 6.38% | to | 7.76% |

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| | Units* (000's) | Unit Fair Value (lowest to highest) | Net Assets (000's) | Investment Income Ratio^A | Expense Ratio^B (lowest to highest) | Total Return^C (lowest to highest) |
|----------------------------------------------|---------------------------------|------------------------------------------------------|-------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------|
| ING VP Growth and Income Portfolio - Class A | | | | | | |
| 2008 | 56 | \$6.67 | \$371 | 1.89% | 0.35% | -38.18% |
| 2007 | 15 | \$10.79 | \$158 | (d) | 0.35% | (d) |
| 2006 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2005 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2004 | (d) | (d) | (d) | (d) | (d) | (d) |
| ING VP Growth and Income Portfolio - Class I | | | | | | |
| 2008 | 59,428 | \$6.10 to \$213.96 | \$926,638 | 1.44% | 0.00% to 1.95% | -38.89% to -6.86% |
| 2007 | 70,409 | \$10.98 to \$346.30 | \$1,758,568 | 1.34% | 0.00% to 1.95% | -29.85% to 7.42% |
| 2006 | 80,060 | \$10.30 to \$325.50 | \$1,940,188 | 1.15% | 0.00% to 1.95% | 12.51% to 14.17% |
| 2005 | 91,075 | \$9.09 to \$287.09 | \$1,975,255 | 1.00% | 0.00% to 1.50% | 6.51% to 8.13% |
| 2004 | 108,588 | \$8.47 to \$267.99 | \$2,182,323 | 2.32% | 0.00% to 1.50% | 6.78% to 21.16% |
| ING VP Growth and Income Portfolio - Class S | | | | | | |
| 2008 | 46 | \$6.66 to \$6.70 | \$305 | 2.96% | 0.30% to 0.75% | -38.22% to -37.96% |
| 2007 | 9 | \$10.78 to \$10.80 | \$101 | (d) | 0.30% to 0.75% | (d) |
| 2006 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2005 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2004 | (d) | (d) | (d) | (d) | (d) | (d) |
| ING GET U.S. Core Portfolio - Series 3 | | | | | | |
| 2008 | 1,716 | \$10.09 to \$10.46 | \$17,658 | 2.17% | 1.00% to 1.75% | -5.17% to -4.14% |
| 2007 | 2,154 | \$10.63 to \$10.94 | \$23,204 | 2.54% | 1.00% to 1.75% | 2.61% to 3.99% |
| 2006 | 2,678 | \$10.30 to \$10.52 | \$27,885 | 2.54% | 1.00% to 1.75% | 4.46% to 5.31% |
| 2005 | 3,740 | \$9.86 to \$9.99 | \$37,121 | 2.01% | 1.00% to 1.75% | -1.00% to -0.20% |
| 2004 | 5,300 | \$9.95 to \$10.02 | \$52,924 | - | 1.00% to 1.75% | -0.40% to 0.20% |
| ING GET U.S. Core Portfolio - Series 5 | | | | | | |
| 2008 | 46 | \$10.55 to \$10.56 | \$481 | 1.40% | 1.75% | -8.97% |
| 2007 | 57 | \$11.59 to \$11.60 | \$660 | 1.78% | 1.75% | 0.35% to 0.43% |
| 2006 | 59 | \$11.55 | \$685 | 1.94% | 1.75% | 9.27% |
| 2005 | 61 | \$10.57 | \$645 | 0.89% | 1.75% | 0.96% |
| 2004 | 66 | \$10.47 | \$696 | (a) | 1.75% | (a) |

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|-----------------------------------------|---------------------------------|------------------------------------------------------|-------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------|
| ING GET U.S. Core Portfolio - Series 6 | | | | | | |
| 2008 | 216 | \$10.33 to \$10.34 | \$2,235 | 1.82% | 1.75% | -7.85% to -7.76% |
| 2007 | 260 | \$11.20 to \$11.21 | \$2,918 | 2.25% | 1.75% | 1.45% to 1.54% |
| 2006 | 356 | \$11.04 to \$11.05 | \$3,931 | 2.33% | 1.75% | 8.55% to 8.65% |
| 2005 | 454 | \$10.17 | \$4,616 | 0.39% | 1.75% | 0.89% |
| 2004 | 556 | \$10.08 | \$5,605 | (a) | 1.75% | (a) |
| ING GET U.S. Core Portfolio - Series 7 | | | | | | |
| 2008 | 195 | \$10.33 to \$10.63 | \$2,036 | 1.98% | 1.00% to 1.75% | -6.68% to -5.93% |
| 2007 | 226 | \$11.06 to \$11.30 | \$2,516 | 2.37% | 1.00% to 1.75% | 1.47% to 2.26% |
| 2006 | 325 | \$10.90 to \$11.05 | \$3,556 | 2.41% | 1.00% to 1.75% | 8.35% to 9.19% |
| 2005 | 391 | \$10.06 to \$10.12 | \$3,939 | 0.05% | 1.00% to 1.75% | 0.60% to 1.10% |
| 2004 | 402 | \$10.00 | \$4,017 | (a) | 1.00% to 1.25% | (a) |
| ING GET U.S. Core Portfolio - Series 8 | | | | | | |
| 2008 | 75 | \$10.28 to \$10.29 | \$774 | 1.95% | 1.75% | -8.13% to -8.04% |
| 2007 | 87 | \$11.18 to \$11.19 | \$969 | 1.94% | 1.75% | 1.82% |
| 2006 | 137 | \$10.98 to \$10.99 | \$1,507 | 1.77% | 1.75% | 8.71% to 8.81% |
| 2005 | 154 | \$10.10 | \$1,556 | (b) | 1.75% | (b) |
| 2004 | (b) | (b) | (b) | (b) | (b) | (b) |
| ING GET U.S. Core Portfolio - Series 9 | | | | | | |
| 2008 | 14 | \$10.27 | \$142 | 1.96% | 1.75% | -6.81% |
| 2007 | 15 | \$11.02 | \$164 | 2.41% | 1.75% | 2.04% to 2.13% |
| 2006 | 16 | \$10.79 to \$10.80 | \$168 | 1.48% | 1.75% | 8.22% |
| 2005 | 22 | \$9.97 to \$9.98 | \$220 | (b) | 1.75% | (b) |
| 2004 | (b) | (b) | (b) | (b) | (b) | (b) |
| ING GET U.S. Core Portfolio - Series 10 | | | | | | |
| 2008 | 7 | \$10.35 | \$70 | 2.74% | 1.75% | -5.48% |
| 2007 | 7 | \$10.95 | \$76 | 1.32% | 1.75% | 1.77% |
| 2006 | 7 | \$10.76 | \$76 | 0.84% | 1.75% | 7.82% |
| 2005 | 11 | \$9.98 | \$107 | (b) | 1.75% | (b) |
| 2004 | (b) | (b) | (b) | (b) | (b) | (b) |

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| | Units* (000's) | Unit Fair Value (lowest to highest) | Net Assets (000's) | Investment Income Ratio^A | Expense Ratio^B (lowest to highest) | Total Return^C (lowest to highest) |
|--------------------------------------------------------------------|---------------------------------|------------------------------------------------------|-------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------|
| ING GET U.S. Core Portfolio - Series 11 | | | | | | |
| 2008 | 3 | \$10.52 | \$32 | 2.53% | 1.75% | -1.22% |
| 2007 | 4 | \$10.65 | \$47 | 4.26% | 1.75% | 0.28% |
| 2006 | 4 | \$10.62 | \$47 | 0.08% | 1.75% | 5.99% to 6.09% |
| 2005 | 8 | \$10.01 to \$10.02 | \$80 | (b) | 1.15% to 1.25% | (b) |
| 2004 | (b) | (b) | (b) | (b) | (b) | (b) |
| ING BlackRock Global Science and Technology Portfolio - Class I | | | | | | |
| 2008 | 7,555 | \$2.88 to \$9.65 | \$23,396 | - | 0.00% to 1.60% | -40.75% to -39.74% |
| 2007 | 8,355 | \$4.86 to \$16.07 | \$42,834 | - | 0.00% to 1.90% | 17.02% to 19.06% |
| 2006 | 8,763 | \$4.14 to \$13.50 | \$37,594 | - | 0.00% to 1.60% | 5.60% to 7.21% |
| 2005 | 10,034 | \$3.92 to \$11.04 | \$40,552 | - | 0.00% to 1.50% | 10.06% to 11.83% |
| 2004 | 11,027 | \$3.56 to \$10.00 | \$40,737 | - | 0.00% to 1.50% | -2.73% to 132.01% |
| ING International Index Portfolio - Class I | | | | | | |
| 2008 | 37 | \$5.92 to \$5.95 | \$220 | (e) | 0.30% to 1.25% | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2006 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2005 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2004 | (e) | (e) | (e) | (e) | (e) | (e) |
| ING Lehman Brothers U.S. Aggregate Bond Index® Portfolio - Class I | | | | | | |
| 2008 | 153 | \$10.17 to \$10.27 | \$1,559 | (e) | 0.00% to 1.50% | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2006 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2005 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2004 | (e) | (e) | (e) | (e) | (e) | (e) |
| ING Opportunistic Large Cap Growth Portfolio - Class I | | | | | | |
| 2008 | 3,372 | \$3.76 to \$11.05 | \$30,414 | 0.81% | 0.00% to 1.50% | -44.90% to -44.08% |
| 2007 | 3,772 | \$6.82 to \$19.80 | \$62,321 | 0.17% | 0.00% to 1.50% | 15.99% to 17.83% |
| 2006 | 4,698 | \$5.88 to \$16.86 | \$67,837 | 0.06% | 0.00% to 1.50% | 1.12% to 2.69% |
| 2005 | 5,519 | \$5.81 to \$16.49 | \$78,900 | 0.68% | 0.00% to 1.50% | 7.77% to 9.38% |
| 2004 | 6,937 | \$5.37 to \$15.14 | \$89,883 | 0.12% | 0.00% to 1.50% | 5.63% to 6.92% |

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|-------------------------------------------------------|---------|---------------------|------------|------------|---------------------------|----------------------------|----------|---------|---------------------------|--|--|
| | (000's) | (lowest to highest) | | (000's) | Income Ratio ^A | (lowest to highest) | | | (lowest to highest) | | |
| ING Opportunistic Large Cap Value Portfolio - Class I | | | | | | | | | | | |
| 2008 | 3,555 | \$6.24 | to \$15.47 | \$44,326 | 2.10% | 0.00% | to 1.85% | -36.59% | to -35.65% | | |
| 2007 | 4,155 | \$12.12 | to \$24.08 | \$82,179 | 1.70% | 0.00% | to 1.60% | 1.40% | to 3.00% | | |
| 2006 | 4,980 | \$11.84 | to \$23.34 | \$96,810 | 1.42% | 0.00% | to 1.60% | 14.29% | to 16.06% | | |
| 2005 | 5,822 | \$10.27 | to \$20.11 | \$97,980 | 1.77% | 0.00% | to 1.50% | 5.44% | to 7.03% | | |
| 2004 | 6,985 | \$9.66 | to \$18.79 | \$110,369 | 0.80% | 0.00% | to 1.50% | 8.48% | to 9.86% | | |
| ING Russell™ Large Cap Index Portfolio - Class I | | | | | | | | | | | |
| 2008 | 403 | \$6.62 | to \$6.68 | \$2,675 | (e) | 0.00% | to 1.45% | | (e) | | |
| 2007 | (e) | | (e) | (e) | (e) | | (e) | | (e) | | |
| 2006 | (e) | | (e) | (e) | (e) | | (e) | | (e) | | |
| 2005 | (e) | | (e) | (e) | (e) | | (e) | | (e) | | |
| 2004 | (e) | | (e) | (e) | (e) | | (e) | | (e) | | |
| ING Russell™ Mid Cap Index Portfolio - Class I | | | | | | | | | | | |
| 2008 | 224 | \$5.91 | to \$5.96 | \$1,329 | (e) | 0.00% | to 1.25% | | (e) | | |
| 2007 | (e) | | (e) | (e) | (e) | | (e) | | (e) | | |
| 2006 | (e) | | (e) | (e) | (e) | | (e) | | (e) | | |
| 2005 | (e) | | (e) | (e) | (e) | | (e) | | (e) | | |
| 2004 | (e) | | (e) | (e) | (e) | | (e) | | (e) | | |
| ING Russell™ Small Cap Index Portfolio - Class I | | | | | | | | | | | |
| 2008 | 91 | \$6.94 | to \$6.99 | \$635 | (e) | 0.25% | to 1.40% | | (e) | | |
| 2007 | (e) | | (e) | (e) | (e) | | (e) | | (e) | | |
| 2006 | (e) | | (e) | (e) | (e) | | (e) | | (e) | | |
| 2005 | (e) | | (e) | (e) | (e) | | (e) | | (e) | | |
| 2004 | (e) | | (e) | (e) | (e) | | (e) | | (e) | | |
| ING VP Index Plus LargeCap Portfolio - Class I | | | | | | | | | | | |
| 2008 | 19,363 | \$5.99 | to \$15.43 | \$247,468 | 2.11% | 0.00% | to 1.95% | -38.41% | to -37.20% | | |
| 2007 | 22,182 | \$9.68 | to \$24.64 | \$469,092 | 1.25% | 0.00% | to 1.95% | 2.98% | to 5.00% | | |
| 2006 | 26,449 | \$9.36 | to \$23.55 | \$539,452 | 1.08% | 0.00% | to 1.95% | 12.29% | to 14.59% | | |
| 2005 | 29,222 | \$11.05 | to \$20.64 | \$532,133 | 1.22% | 0.00% | to 1.85% | 3.46% | to 5.37% | | |
| 2004 | 32,461 | \$10.67 | to \$19.66 | \$562,520 | 0.99% | 0.00% | to 1.95% | 8.92% | to 10.32% | | |

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| | Units* (000's) | Unit Fair Value (lowest to highest) | Net Assets (000's) | Investment Income Ratio^A | Expense Ratio^B (lowest to highest) | Total Return^C (lowest to highest) |
|------------------------------------------------|---------------------------------|------------------------------------------------------|-------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------|
| ING VP Index Plus LargeCap Portfolio - Class S | | | | | | |
| 2008 | 43 | \$7.58 | \$325 | 1.52% | 0.35% | -37.56% |
| 2007 | 28 | \$12.14 | \$334 | - | 0.35% | 4.39% |
| 2006 | 1 | \$11.63 | \$7 | (c) | 0.35% | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |
| ING VP Index Plus MidCap Portfolio - Class I | | | | | | |
| 2008 | 14,637 | \$6.03 to \$16.74 | \$212,512 | 1.44% | 0.00% to 2.10% | -38.76% to -37.58% |
| 2007 | 16,185 | \$13.29 to \$26.82 | \$381,531 | 0.81% | 0.00% to 1.95% | 3.51% to 5.23% |
| 2006 | 18,518 | \$12.68 to \$25.09 | \$421,728 | 0.62% | 0.00% to 1.95% | 7.28% to 9.43% |
| 2005 | 19,654 | \$12.22 to \$23.22 | \$416,465 | 0.44% | 0.00% to 1.95% | 9.08% to 11.15% |
| 2004 | 18,764 | \$11.22 to \$20.56 | \$361,470 | 0.40% | 0.00% to 1.85% | 14.85% to 16.29% |
| ING VP Index Plus MidCap Portfolio - Class S | | | | | | |
| 2008 | 36 | \$7.29 | \$260 | 1.33% | 0.35% | -37.90% |
| 2007 | 29 | \$11.74 | \$343 | 0.52% | 0.35% | 4.92% |
| 2006 | 4 | \$11.19 | \$43 | (c) | 0.35% | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |
| ING VP Index Plus SmallCap Portfolio - Class I | | | | | | |
| 2008 | 7,836 | \$6.19 to \$12.68 | \$85,771 | 0.96% | 0.00% to 2.10% | -34.86% to -33.54% |
| 2007 | 9,070 | \$12.14 to \$19.08 | \$151,310 | 0.48% | 0.00% to 2.15% | -8.00% to -6.48% |
| 2006 | 10,525 | \$13.03 to \$20.09 | \$189,877 | 0.41% | 0.00% to 1.95% | 11.75% to 13.78% |
| 2005 | 11,258 | \$12.34 to \$17.88 | \$182,246 | 0.30% | 0.00% to 1.85% | 5.65% to 7.65% |
| 2004 | 10,466 | \$11.68 to \$16.34 | \$158,486 | 0.15% | 0.00% to 1.85% | 20.22% to 21.76% |
| ING VP Index Plus SmallCap Portfolio - Class S | | | | | | |
| 2008 | 8 | \$7.05 | \$58 | - | 0.35% | -33.86% |
| 2007 | 8 | \$10.66 | \$90 | - | 0.35% | -6.82% |
| 2006 | 5 | \$11.44 | \$52 | (c) | 0.35% | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |

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|-------------------------------------------------|---------------------------------|------------------------------------------------------|-------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------|
| ING VP Small Company Portfolio - Class I | | | | | | |
| 2008 | 5,178 | \$6.59 to \$21.76 | \$86,261 | 1.08% | 0.00% to 1.50% | -32.09% to -31.10% |
| 2007 | 5,336 | \$14.34 to \$31.63 | \$135,138 | 0.19% | 0.00% to 1.50% | 4.29% to 5.90% |
| 2006 | 6,886 | \$13.75 to \$29.99 | \$169,087 | 0.39% | 0.00% to 1.50% | 15.06% to 16.80% |
| 2005 | 7,440 | \$12.03 to \$25.78 | \$158,729 | 0.14% | 0.00% to 1.50% | 8.64% to 10.28% |
| 2004 | 9,070 | \$11.02 to \$23.47 | \$175,779 | 0.28% | 0.00% to 1.50% | 12.69% to 14.09% |
| ING VP Small Company Portfolio - Class S | | | | | | |
| 2008 | 12 | \$8.52 | \$100 | 1.07% | 0.35% | -31.46% |
| 2007 | 7 | \$12.43 | \$87 | - | 0.35% | 5.34% |
| 2006 | 1 | \$11.80 | \$11 | (c) | 0.35% | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |
| ING VP International Value Portfolio - Class I | | | | | | |
| 2008 | 7,918 | \$5.67 to \$11.79 | \$84,985 | 2.94% | 0.00% to 1.70% | -43.63% to -42.79% |
| 2007 | 8,365 | \$16.66 to \$20.79 | \$158,131 | 1.78% | 0.00% to 1.55% | 11.69% to 13.15% |
| 2006 | 7,376 | \$14.78 to \$18.51 | \$123,753 | 2.42% | 0.30% to 1.55% | 27.45% to 29.01% |
| 2005 | 5,941 | \$12.35 to \$14.45 | \$78,444 | 2.43% | 0.00% to 1.55% | 7.82% to 9.15% |
| 2004 | 4,834 | \$11.49 to \$13.33 | \$58,379 | 1.23% | 0.30% to 1.50% | 15.63% to 16.94% |
| ING VP International Value Portfolio - Class S | | | | | | |
| 2008 | 29 | \$8.65 | \$248 | 3.02% | 0.35% | -42.52% |
| 2007 | 32 | \$15.05 | \$480 | 1.48% | 0.35% | 12.65% |
| 2006 | 5 | \$13.36 | \$60 | (c) | 0.35% | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |
| ING VP MidCap Opportunities Portfolio - Class I | | | | | | |
| 2008 | 935 | \$6.36 to \$10.69 | \$8,648 | - | 0.00% to 1.50% | -38.51% to -37.84% |
| 2007 | 649 | \$14.57 to \$17.22 | \$9,758 | - | 0.20% to 1.50% | 23.79% to 25.10% |
| 2006 | 509 | \$11.77 to \$12.55 | \$6,141 | - | 0.40% to 1.50% | 6.21% to 7.25% |
| 2005 | 467 | \$11.08 to \$12.83 | \$5,277 | - | 0.50% to 1.50% | 0.87% to 9.78% |
| 2004 | 536 | \$10.19 to \$11.43 | \$5,546 | - | 0.55% to 1.50% | 9.81% to 20.57% |

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|----------------------------------------------------------|---------------------------------|------------------------------------------------------|-------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------|
| ING VP MidCap Opportunities Portfolio - Class S | | | | | | |
| 2008 | 12 | \$8.69 | \$108 | - | 0.35% | -37.93% |
| 2007 | 5 | \$14.00 | \$70 | - | 0.35% | 25.00% |
| 2006 | - | \$11.20 | \$3 | (c) | 0.35% | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |
| ING VP SmallCap Opportunities Portfolio - Class I | | | | | | |
| 2008 | 1,290 | \$6.14 to \$9.68 | \$8,367 | - | 0.00% to 1.50% | -35.44% to -34.62% |
| 2007 | 1,200 | \$9.51 to \$15.30 | \$11,915 | - | 0.20% to 1.50% | 8.44% to 9.67% |
| 2006 | 1,122 | \$8.77 to \$13.46 | \$10,191 | - | 0.40% to 1.50% | 10.87% to 12.17% |
| 2005 | 1,146 | \$7.91 to \$8.97 | \$9,331 | - | 0.40% to 1.50% | 1.86% to 8.64% |
| 2004 | 1,087 | \$7.36 to \$8.08 | \$8,178 | - | 0.40% to 1.50% | 8.53% to 16.59% |
| ING VP SmallCap Opportunities Portfolio - Class S | | | | | | |
| 2008 | 6 | \$8.20 | \$47 | - | 0.35% | -34.82% |
| 2007 | 1 | \$12.58 | \$17 | - | 0.35% | 9.39% |
| 2006 | 1 | \$11.50 | \$10 | (c) | 0.35% | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |
| ING VP Balanced Portfolio - Class I | | | | | | |
| 2008 | 17,863 | \$7.13 to \$28.80 | \$314,926 | 3.72% | 0.00% to 1.95% | -29.49% to 1.49% |
| 2007 | 21,542 | \$12.24 to \$40.44 | \$528,434 | 2.68% | 0.00% to 1.95% | -27.07% to 5.54% |
| 2006 | 24,020 | \$11.74 to \$38.67 | \$588,364 | 2.43% | 0.00% to 1.95% | 7.84% to 9.99% |
| 2005 | 27,567 | \$11.37 to \$35.49 | \$637,454 | 2.34% | 0.00% to 1.50% | 2.69% to 4.25% |
| 2004 | 30,971 | \$11.05 to \$34.36 | \$692,148 | 1.99% | 0.00% to 1.50% | 7.78% to 9.12% |
| ING VP Intermediate Bond Portfolio - Class I | | | | | | |
| 2008 | 18,571 | \$9.22 to \$83.76 | \$350,384 | 5.64% | 0.00% to 2.05% | -10.25% to 6.66% |
| 2007 | 19,947 | \$11.00 to \$92.31 | \$421,252 | 3.81% | 0.00% to 1.95% | -11.31% to 5.99% |
| 2006 | 19,472 | \$10.56 to \$87.81 | \$400,146 | 3.99% | 0.00% to 1.95% | 2.02% to 4.12% |
| 2005 | 19,951 | \$10.32 to \$76.25 | \$405,018 | 3.79% | 0.00% to 1.90% | 1.37% to 3.16% |
| 2004 | 20,579 | \$10.21 to \$74.70 | \$407,745 | 1.50% | 0.00% to 1.95% | 3.31% to 4.59% |

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| ING VP Intermediate Bond Portfolio - Class S | | | | | | |
| 2008 | 22 | \$9.64 | \$212 | 5.64% | 0.35% | -8.88% |
| 2007 | 23 | \$10.58 | \$249 | 6.90% | 0.35% | 5.27% |
| 2006 | 1 | \$10.05 | \$12 | (c) | 0.35% | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |
| ING VP Money Market Portfolio - Class I | | | | | | |
| 2008 | 32,012 | \$10.33 to \$57.58 | \$541,019 | 5.05% | 0.00% to 1.95% | 0.93% to 13.38% |
| 2007 | 26,790 | \$10.73 to \$56.29 | \$520,246 | 3.62% | 0.00% to 1.70% | -7.17% to 5.16% |
| 2006 | 19,298 | \$10.51 to \$53.71 | \$362,772 | 2.23% | 0.00% to 1.50% | 3.32% to 4.92% |
| 2005 | 14,234 | \$10.15 to \$51.39 | \$210,711 | 1.20% | 0.00% to 1.50% | 1.47% to 3.03% |
| 2004 | 14,934 | \$9.98 to \$50.07 | \$216,952 | 1.09% | 0.00% to 1.50% | -0.49% to 0.76% |
| Janus Aspen Series Balanced Portfolio - Institutional Shares | | | | | | |
| 2008 | 9 | \$16.64 to \$26.71 | \$236 | 2.32% | 0.50% to 1.45% | -17.06% to -16.23% |
| 2007 | 13 | \$13.48 to \$32.14 | \$367 | 2.63% | 0.30% to 1.45% | 8.96% to 9.95% |
| 2006 | 14 | \$12.22 to \$29.45 | \$394 | 1.90% | 0.40% to 1.45% | 9.10% to 10.17% |
| 2005 | 20 | \$12.45 to \$26.93 | \$508 | 0.01% | 0.50% to 1.50% | 6.38% to 7.28% |
| 2004 | 16,735 | \$10.06 to \$26.46 | \$356,943 | 2.17% | 0.00% to 1.95% | 6.91% to 8.29% |
| Janus Aspen Series Flexible Bond Portfolio - Institutional Shares | | | | | | |
| 2008 | 5 | \$15.77 to \$23.44 | \$98 | 4.06% | 0.50% to 1.50% | 4.71% to 5.53% |
| 2007 | 5 | \$15.06 to \$22.38 | \$99 | 4.67% | 0.50% to 1.25% | 5.67% to 6.47% |
| 2006 | 6 | \$14.25 to \$21.18 | \$114 | 4.37% | 0.50% to 1.25% | 2.97% to 3.71% |
| 2005 | 7 | \$14.34 to \$20.57 | \$146 | 0.02% | 0.55% to 1.25% | 0.73% to 1.39% |
| 2004 | 4,497 | \$10.30 to \$21.35 | \$78,169 | 5.55% | 0.00% to 1.50% | 2.39% to 3.69% |
| Janus Aspen Series Large Cap Growth Portfolio - Institutional Shares | | | | | | |
| 2008 | 7 | \$8.17 to \$14.72 | \$75 | 0.89% | 0.50% to 1.40% | -40.58% to -40.01% |
| 2007 | 7 | \$13.66 to \$25.03 | \$150 | 0.67% | 0.50% to 1.40% | 13.50% to 14.51% |
| 2006 | 8 | \$11.96 to \$22.00 | \$148 | 0.43% | 0.50% to 1.40% | 9.82% to 10.86% |
| 2005 | 11 | \$9.95 to \$18.49 | \$185 | - | 0.30% to 1.40% | 2.84% to 3.90% |
| 2004 | 12,324 | \$9.60 to \$19.79 | \$199,501 | 0.13% | 0.00% to 1.50% | 2.98% to 4.25% |

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|----------------------------------------------------------------------|---------------------------|------------------------------------------------|-------------------------------|----------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------|
| Janus Aspen Series Mid Cap Growth Portfolio - Institutional Shares | | | | | | |
| 2008 | 15 | \$10.77 to \$17.72 | \$240 | 0.27% | 0.30% to 1.50% | -44.52% to -43.95% |
| 2007 | 17 | \$19.37 to \$31.89 | \$490 | 0.21% | 0.45% to 1.45% | 20.28% to 21.49% |
| 2006 | 19 | \$15.92 to \$26.46 | \$466 | - | 0.25% to 1.45% | 11.97% to 13.37% |
| 2005 | 22 | \$14.12 to \$23.58 | \$489 | - | 0.25% to 1.50% | 10.59% to 11.99% |
| 2004 | 25,472 | \$10.94 to \$24.72 | \$458,336 | - | 0.00% to 1.50% | 18.99% to 20.42% |
| Janus Aspen Series Worldwide Growth Portfolio - Institutional Shares | | | | | | |
| 2008 | 12 | \$7.49 to \$14.85 | \$154 | 1.27% | 0.45% to 1.50% | -45.34% to -44.94% |
| 2007 | 13 | \$13.70 to \$30.90 | \$317 | 0.90% | 0.45% to 1.25% | 8.25% to 9.18% |
| 2006 | 15 | \$12.54 to \$28.51 | \$353 | 1.61% | 0.45% to 1.25% | 16.74% to 17.68% |
| 2005 | 19 | \$10.68 to \$21.50 | \$381 | - | 0.30% to 1.25% | 4.57% to 5.53% |
| 2004 | 24,107 | \$9.48 to \$23.32 | \$425,591 | 0.95% | 0.00% to 1.50% | 3.20% to 4.47% |
| Lazard U.S. Mid Cap Equity Portfolio - Open Shares | | | | | | |
| 2008 | 73 | \$5.30 to \$5.42 | \$388 | 2.24% | 0.00% to 1.25% | -39.36% to -38.48% |
| 2007 | 37 | \$8.74 to \$8.81 | \$326 | (d) | 0.00% to 1.25% | (d) |
| 2006 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2005 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2004 | (d) | (d) | (d) | (d) | (d) | (d) |
| LKCM Aquinas Growth Fund | | | | | | |
| 2008 | 26 | \$8.01 | \$206 | - | 1.05% | -33.80% |
| 2007 | 19 | \$12.10 | \$236 | - | 1.05% | 0.08% |
| 2006 | 17 | \$10.87 | \$183 | (c) | 0.90% | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |
| Loomis Sayles Small Cap Value Fund - Retail Class | | | | | | |
| 2008 | 126 | \$7.14 to \$7.20 | \$905 | (e) | 0.25% to 1.50% | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2006 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2005 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2004 | (e) | (e) | (e) | (e) | (e) | (e) |

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|-----------------------------------------------------------------|---------------------------------|------------------------------------------------------|-------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------|
| Lord Abbett Mid-Cap Value Fund, Inc. - Class A | | | | | | |
| 2008 | 85 | \$8.15 to \$10.13 | \$739 | 1.80% | 0.55% to 1.90% | -40.51% to -39.78% |
| 2007 | 87 | \$13.80 to \$16.89 | \$1,257 | 0.51% | 0.50% to 1.75% | -1.15% to 0.07% |
| 2006 | 75 | \$13.96 to \$16.97 | \$1,081 | 0.56% | 0.50% to 1.75% | 10.36% to 11.81% |
| 2005 | 63 | \$12.65 to \$15.26 | \$818 | 0.54% | 0.50% to 1.75% | 6.47% to 7.65% |
| 2004 | 24 | \$11.91 to \$14.25 | \$290 | (a) | 0.50% to 1.60% | (a) |
| Lord Abbett Small-Cap Value Fund - Class A | | | | | | |
| 2008 | 91 | \$11.40 to \$12.03 | \$1,074 | 0.22% | 0.55% to 1.65% | -32.18% to -31.45% |
| 2007 | 96 | \$16.81 to \$17.52 | \$1,648 | 0.13% | 0.60% to 1.65% | 8.59% to 9.68% |
| 2006 | 88 | \$15.44 to \$15.91 | \$1,379 | - | 0.70% to 1.75% | 18.40% to 19.56% |
| 2005 | 74 | \$13.04 to \$13.31 | \$980 | - | 0.70% to 1.75% | 11.41% to 12.42% |
| 2004 | 45 | \$11.74 to \$11.84 | \$530 | (a) | 0.65% to 1.60% | (a) |
| Lord Abbett Series Fund - Mid-Cap Value Portfolio - Class VC | | | | | | |
| 2008 | 8,061 | \$5.71 to \$11.16 | \$75,150 | 1.22% | 0.00% to 1.50% | -40.23% to -39.51% |
| 2007 | 9,441 | \$12.71 to \$18.59 | \$146,234 | 0.44% | 0.20% to 1.50% | -0.95% to 0.38% |
| 2006 | 10,067 | \$12.72 to \$18.67 | \$156,234 | 0.50% | 0.25% to 1.50% | 10.54% to 11.88% |
| 2005 | 10,499 | \$12.93 to \$16.80 | \$147,309 | 0.51% | 0.30% to 1.50% | 6.67% to 7.94% |
| 2004 | 7,424 | \$12.45 to \$15.68 | \$96,241 | 0.40% | 0.00% to 1.50% | 22.18% to 36.28% |
| Massachusetts Investors Growth Stock Fund - Class A | | | | | | |
| 2008 | 46 | \$7.88 to \$8.09 | \$364 | 0.36% | 0.65% to 1.20% | -37.66% to -37.38% |
| 2007 | 58 | \$12.55 to \$12.92 | \$737 | 0.45% | 0.65% to 1.40% | 10.10% to 10.59% |
| 2006 | 52 | \$11.38 to \$11.61 | \$596 | - | 0.80% to 1.50% | 6.37% to 6.61% |
| 2005 | 39 | \$10.79 to \$10.89 | \$421 | (f) | 0.80% to 1.30% | (f) |
| 2004 | 17 | \$10.55 to \$10.58 | \$180 | (a) | 0.70% to 0.95% | (a) |
| Morgan Stanley U.S. Small Cap Value Portfolio - Class I | | | | | | |
| 2008 | 114 | \$7.40 | \$841 | (e) | - | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2006 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2005 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2004 | (e) | (e) | (e) | (e) | (e) | (e) |

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|----------------------------------------------------------|---------|---------------------|----|---------|------------|---------------------------|----------------------------|----|-------|---------------------------|----|---------|
| | (000's) | (lowest to highest) | | | (000's) | Income Ratio ^A | (lowest to highest) | | | (lowest to highest) | | |
| Neuberger Berman Socially Responsive Fund® - Trust Class | | | | | | | | | | | | |
| 2008 | 318 | \$6.12 | to | \$7.07 | \$2,187 | 0.72% | 0.00% | to | 1.60% | -39.86% | to | -39.08% |
| 2007 | 175 | \$11.28 | to | \$11.54 | \$1,985 | 0.80% | 0.25% | to | 1.55% | 5.62% | to | 6.79% |
| 2006 | 48 | \$10.68 | to | \$10.77 | \$519 | (c) | 0.40% | to | 1.50% | | | (c) |
| 2005 | (c) | | | (c) | (c) | (c) | | | (c) | | | (c) |
| 2004 | (c) | | | (c) | (c) | (c) | | | (c) | | | (c) |
| New Perspective Fund®, Inc. - Class R-3 | | | | | | | | | | | | |
| 2008 | 254 | \$9.89 | to | \$10.62 | \$2,657 | 1.79% | 0.00% | to | 1.45% | -38.99% | to | -38.08% |
| 2007 | 238 | \$16.21 | to | \$17.15 | \$4,038 | 2.44% | 0.00% | to | 1.45% | 14.34% | to | 15.34% |
| 2006 | 83 | \$14.18 | to | \$14.75 | \$1,204 | 1.64% | 0.20% | to | 1.55% | 18.17% | to | 19.17% |
| 2005 | 40 | \$12.16 | to | \$12.36 | \$486 | 1.45% | 0.25% | to | 1.10% | 9.98% | to | 10.56% |
| 2004 | 18 | \$11.12 | to | \$11.17 | \$204 | (a) | 0.30% | to | 0.80% | | | (a) |
| New Perspective Fund®, Inc. - Class R-4 | | | | | | | | | | | | |
| 2008 | 3,763 | \$6.11 | to | \$10.97 | \$39,040 | 2.60% | 0.00% | to | 1.50% | -38.80% | to | -37.81% |
| 2007 | 2,456 | \$15.58 | to | \$17.64 | \$41,461 | 2.12% | 0.00% | to | 1.50% | 14.23% | to | 15.56% |
| 2006 | 1,896 | \$13.57 | to | \$15.13 | \$27,925 | 1.55% | 0.30% | to | 1.50% | 18.09% | to | 19.46% |
| 2005 | 1,760 | \$11.44 | to | \$12.78 | \$22,033 | 1.87% | 0.00% | to | 1.50% | 9.56% | to | 10.64% |
| 2004 | 762 | \$11.30 | to | \$11.66 | \$8,638 | (a) | 0.55% | to | 1.50% | | | (a) |
| Oppenheimer Capital Appreciation Fund - Class A | | | | | | | | | | | | |
| 2008 | 53 | \$6.69 | to | \$7.03 | \$363 | - | 0.55% | to | 1.55% | -46.74% | to | -46.17% |
| 2007 | 47 | \$12.56 | to | \$13.06 | \$597 | - | 0.55% | to | 1.55% | 12.19% | to | 13.17% |
| 2006 | 36 | \$11.24 | to | \$11.54 | \$414 | - | 0.55% | to | 1.45% | 6.62% | to | 6.79% |
| 2005 | 30 | \$10.65 | to | \$10.76 | \$316 | 0.75% | 0.70% | to | 1.25% | 3.40% | to | 3.96% |
| 2004 | 21 | \$10.27 | to | \$10.36 | \$217 | (a) | 0.65% | to | 1.60% | | | (a) |
| Oppenheimer Developing Markets Fund - Class A | | | | | | | | | | | | |
| 2008 | 3,873 | \$5.11 | to | \$37.41 | \$114,355 | 1.45% | 0.00% | to | 1.65% | -48.87% | to | -48.03% |
| 2007 | 4,018 | \$23.12 | to | \$71.98 | \$230,998 | 0.96% | 0.00% | to | 1.95% | 31.54% | to | 33.43% |
| 2006 | 3,743 | \$17.39 | to | \$52.76 | \$163,882 | 1.30% | 0.30% | to | 1.75% | 23.14% | to | 24.56% |
| 2005 | 3,268 | \$17.98 | to | \$41.82 | \$115,468 | 1.74% | 0.50% | to | 1.65% | 38.95% | to | 40.45% |
| 2004 | 1,557 | \$12.94 | to | \$29.69 | \$37,377 | 2.10% | 0.55% | to | 1.65% | 31.71% | | |

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| | Units* | Unit Fair Value | | | Net Assets | Investment | Expense Ratio ^B | | | Total Return ^C | | |
|--------------------------------------------|---------|---------------------|----|---------|------------|---------------------------|----------------------------|----|-------|---------------------------|----|---------|
| | (000's) | (lowest to highest) | | | (000's) | Income Ratio ^A | (lowest to highest) | | | (lowest to highest) | | |
| Oppenheimer Global Securities/VA | | | | | | | | | | | | |
| 2008 | 17 | \$9.06 | to | \$15.97 | \$247 | 1.70% | 0.45% | to | 1.75% | -41.25% | to | -40.45% |
| 2007 | 23 | \$15.42 | to | \$26.82 | \$578 | 1.49% | 0.45% | to | 1.75% | 4.87% | to | 5.84% |
| 2006 | 32 | \$14.74 | to | \$25.34 | \$765 | 1.02% | 0.45% | to | 1.80% | 16.01% | to | 17.15% |
| 2005 | 35 | \$12.74 | to | \$21.63 | \$711 | 2.11% | 0.45% | to | 1.85% | 12.61% | to | 13.78% |
| 2004 | 22,250 | \$11.36 | to | \$19.26 | \$410,368 | 1.10% | 0.00% | to | 1.80% | 17.37% | to | 18.89% |
| Oppenheimer Main Street Fund®/VA | | | | | | | | | | | | |
| 2008 | 10 | \$5.99 | to | \$6.76 | \$63 | 1.12% | 1.25% | to | 1.50% | -39.37% | to | -39.21% |
| 2007 | 11 | \$9.88 | to | \$11.12 | \$115 | 0.84% | 1.25% | to | 1.50% | 2.92% | to | 3.15% |
| 2006 | 13 | \$9.60 | to | \$10.78 | \$123 | 1.67% | 1.25% | to | 1.50% | 13.34% | to | 13.59% |
| 2005 | - | - | - | - | \$41 | - | - | - | - | - | - | - |
| 2004 | - | - | - | - | \$43 | - | 1.25% | to | 1.50% | - | - | - |
| Oppenheimer Main Street Small Cap Fund®/VA | | | | | | | | | | | | |
| 2008 | 578 | \$5.85 | to | \$9.19 | \$4,655 | 0.52% | 0.00% | to | 1.50% | -38.76% | to | -38.01% |
| 2007 | 531 | \$12.90 | to | \$14.92 | \$6,971 | 0.31% | 0.25% | to | 1.50% | -2.71% | to | -1.48% |
| 2006 | 351 | \$13.26 | to | \$15.26 | \$4,722 | 0.10% | 0.30% | to | 1.50% | 13.33% | to | 14.43% |
| 2005 | 89 | \$11.70 | to | \$13.40 | \$1,052 | 2.38% | 0.50% | to | 1.50% | 8.62% | - | - |
| 2004 | - | \$12.30 | - | - | \$5 | (a) | 1.25% | - | - | (a) | - | - |
| Oppenheimer MidCap Fund/VA | | | | | | | | | | | | |
| 2008 | 4 | \$2.76 | to | \$5.50 | \$13 | - | 1.25% | to | 1.50% | -49.91% | to | -49.73% |
| 2007 | 4 | \$5.51 | to | \$10.94 | \$31 | - | 1.25% | to | 1.50% | 4.99% | - | - |
| 2006 | - | \$10.42 | - | - | \$1 | - | 1.25% | - | - | 1.66% | - | - |
| 2005 | - | - | - | - | \$3 | - | - | - | - | - | - | - |
| 2004 | - | - | - | - | \$3 | - | 1.25% | - | - | - | - | - |
| Oppenheimer Strategic Bond Fund/VA | | | | | | | | | | | | |
| 2008 | 7 | \$13.54 | to | \$14.99 | \$105 | 5.22% | 0.50% | to | 1.45% | -15.43% | to | -14.70% |
| 2007 | 7 | \$16.01 | to | \$17.48 | \$125 | 3.94% | 0.55% | to | 1.45% | 8.10% | to | 9.11% |
| 2006 | 8 | \$14.81 | to | \$16.02 | \$128 | 3.91% | 0.55% | to | 1.45% | 5.94% | to | 6.87% |
| 2005 | 11 | \$13.98 | to | \$15.10 | \$154 | 9.58% | 0.45% | to | 1.45% | 1.16% | to | 2.17% |
| 2004 | 3,306 | \$10.88 | to | \$14.98 | \$47,078 | 4.44% | 0.00% | to | 1.95% | 7.08% | to | 8.47% |

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| | Units* | Unit Fair Value | | | Net Assets | Investment | Expense Ratio ^B | | | Total Return ^C | | |
|----------------------------------------------------|---------|---------------------|-----|---------|------------|---------------------------|----------------------------|-----|-------|---------------------------|----|---------|
| | (000's) | (lowest to highest) | | | (000's) | Income Ratio ^A | (lowest to highest) | | | (lowest to highest) | | |
| Pax World Balanced Fund | | | | | | | | | | | | |
| 2008 | 4,896 | \$6.89 | to | \$9.87 | \$44,509 | 1.99% | 0.00% | to | 1.75% | -31.93% | to | -30.74% |
| 2007 | 4,498 | \$12.75 | to | \$14.25 | \$59,458 | 1.79% | 0.00% | to | 1.75% | 7.49% | to | 9.16% |
| 2006 | 4,112 | \$11.83 | to | \$12.90 | \$50,097 | 1.66% | 0.30% | to | 1.75% | 9.03% | to | 10.07% |
| 2005 | 4,818 | \$10.85 | to | \$11.76 | \$54,353 | 1.65% | 0.00% | to | 1.65% | 3.72% | to | 4.87% |
| 2004 | 1,550 | \$10.45 | to | \$11.12 | \$16,523 | 0.96% | 0.55% | to | 1.65% | 11.98% | to | 12.45% |
| PIMCO Real Return Portfolio - Administrative Class | | | | | | | | | | | | |
| 2008 | 6,215 | \$9.53 | to | \$11.50 | \$67,423 | 4.31% | 0.00% | to | 1.65% | -8.45% | to | -7.03% |
| 2007 | 2,861 | \$10.72 | to | \$12.37 | \$34,027 | 4.42% | 0.00% | to | 1.50% | 8.91% | to | 10.55% |
| 2006 | 2,338 | \$10.15 | to | \$11.19 | \$25,436 | 4.36% | 0.00% | to | 1.50% | -0.74% | to | 0.36% |
| 2005 | 2,096 | \$10.52 | to | \$11.10 | \$22,843 | 3.20% | 0.40% | to | 1.50% | 0.56% | to | 1.48% |
| 2004 | 882 | \$10.43 | to | \$10.83 | \$9,519 | (a) | 0.60% | to | 1.50% | | | (a) |
| Pioneer High Yield Fund - Class A | | | | | | | | | | | | |
| 2008 | 328 | \$7.37 | to | \$7.95 | \$2,557 | 7.36% | 0.20% | to | 1.75% | -38.07% | to | -37.15% |
| 2007 | 273 | \$11.81 | to | \$12.65 | \$3,394 | 4.89% | 0.20% | to | 1.95% | 5.03% | to | 6.37% |
| 2006 | 161 | \$11.33 | to | \$11.78 | \$1,880 | 4.89% | 0.40% | to | 1.75% | 8.63% | to | 10.10% |
| 2005 | 70 | \$10.43 | to | \$10.69 | \$742 | 4.75% | 0.45% | to | 1.75% | 0.67% | to | 1.72% |
| 2004 | 42 | \$10.38 | to | \$10.48 | \$437 | (a) | 0.60% | to | 1.65% | | | (a) |
| Pioneer Emerging Markets VCT Portfolio - Class I | | | | | | | | | | | | |
| 2008 | 2,224 | \$4.12 | to | \$5.36 | \$11,735 | 0.43% | 0.00% | to | 1.55% | -58.85% | to | -58.26% |
| 2007 | 2,280 | \$12.71 | to | \$12.84 | \$29,074 | (d) | 0.00% | to | 1.50% | | | (d) |
| 2006 | (d) | | (d) | | (d) | (d) | | (d) | | | | (d) |
| 2005 | (d) | | (d) | | (d) | (d) | | (d) | | | | (d) |
| 2004 | (d) | | (d) | | (d) | (d) | | (d) | | | | (d) |
| Pioneer Equity Income VCT Portfolio - Class I | | | | | | | | | | | | |
| 2008 | - | \$10.36 | | | - | 2.69% | 0.65% | | | -30.79% | | |
| 2007 | 79 | \$13.98 | to | \$14.97 | \$1,189 | 2.95% | 0.65% | to | 1.25% | -0.43% | to | 0.20% |
| 2006 | 8,116 | \$13.06 | to | \$17.75 | \$119,307 | 2.59% | 0.35% | to | 1.95% | 20.07% | to | 22.02% |
| 2005 | 5,640 | \$11.48 | to | \$14.64 | \$69,926 | 2.66% | 0.30% | to | 1.60% | 3.28% | to | 5.40% |
| 2004 | 2,471 | \$11.02 | to | \$13.99 | \$28,279 | 2.17% | 0.00% | to | 1.95% | 14.64% | to | 17.70% |

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|-----------------------------------------------------------|---------------------------------|------------------------------------------------------|------------|-------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|----|-------|---------------------------------------------------------------|------------|
| Pioneer High Yield VCT Portfolio - Class I | | | | | | | | | | |
| 2008 | 1,510 | \$6.35 | to \$8.12 | \$11,678 | 9.26% | 0.00% | to | 1.50% | -36.41% | to -35.58% |
| 2007 | 1,598 | \$11.89 | to \$12.45 | \$19,319 | 5.55% | 0.25% | to | 1.50% | 3.99% | to 5.36% |
| 2006 | 1,065 | \$11.36 | to \$11.75 | \$12,297 | 5.72% | 0.40% | to | 1.50% | 6.92% | to 8.10% |
| 2005 | 646 | \$10.67 | to \$10.94 | \$6,949 | 5.69% | 0.00% | to | 1.50% | 0.38% | to 1.31% |
| 2004 | 419 | \$10.63 | to \$11.03 | \$4,468 | (a) | 0.65% | to | 1.50% | (a) | |
| Premier VIT OpCap Mid Cap Portfolio | | | | | | | | | | |
| 2008 | 437 | \$5.62 | to \$5.76 | \$2,476 | 0.42% | 0.00% | to | 1.50% | -42.54% | to -41.83% |
| 2007 | 40 | \$9.78 | to \$9.85 | \$393 | (d) | 0.30% | to | 1.50% | (d) | |
| 2006 | (d) | (d) | | (d) | (d) | (d) | | | (d) | |
| 2005 | (d) | (d) | | (d) | (d) | (d) | | | (d) | |
| 2004 | (d) | (d) | | (d) | (d) | (d) | | | (d) | |
| RiverSource Diversified Equity Income Fund - Class R-4 | | | | | | | | | | |
| 2008 | 237 | \$6.16 | to \$6.21 | \$1,464 | (e) | 0.25% | to | 1.50% | (e) | |
| 2007 | (e) | (e) | | (e) | (e) | (e) | | | (e) | |
| 2006 | (e) | (e) | | (e) | (e) | (e) | | | (e) | |
| 2005 | (e) | (e) | | (e) | (e) | (e) | | | (e) | |
| 2004 | (e) | (e) | | (e) | (e) | (e) | | | (e) | |
| SMALLCAP World Fund® - Class R-4 | | | | | | | | | | |
| 2008 | 80 | \$5.44 | to \$5.48 | \$434 | (e) | 0.25% | to | 1.50% | (e) | |
| 2007 | (e) | (e) | | (e) | (e) | (e) | | | (e) | |
| 2006 | (e) | (e) | | (e) | (e) | (e) | | | (e) | |
| 2005 | (e) | (e) | | (e) | (e) | (e) | | | (e) | |
| 2004 | (e) | (e) | | (e) | (e) | (e) | | | (e) | |
| T. Rowe Price Mid-Cap Value Fund - R Class | | | | | | | | | | |
| 2008 | 74 | \$9.16 | to \$9.62 | \$699 | 0.47% | 0.35% | to | 1.35% | -35.71% | to -35.09% |
| 2007 | 68 | \$14.14 | to \$14.82 | \$991 | 1.80% | 0.35% | to | 1.55% | -1.39% | to -0.20% |
| 2006 | 69 | \$14.34 | to \$14.85 | \$1,010 | 0.61% | 0.35% | to | 1.55% | 18.15% | to 19.08% |
| 2005 | 63 | \$12.20 | to \$12.42 | \$775 | 0.29% | 0.50% | to | 1.45% | 5.72% | to 6.70% |
| 2004 | 53 | \$11.54 | to \$11.64 | \$619 | (a) | 0.50% | to | 1.45% | (a) | |

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| | Units* (000's) | Unit Fair Value (lowest to highest) | Net Assets (000's) | Investment Income Ratio^A | Expense Ratio^B (lowest to highest) | Total Return^C (lowest to highest) |
|------------------------------------------|---------------------------------|------------------------------------------------------|-------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------|
| T. Rowe Price Value Fund - Advisor Class | | | | | | |
| 2008 | 6 | \$6.79 | \$44 | 1.90% | 1.00% | -40.44% |
| 2007 | 5 | \$11.40 | \$61 | 2.20% | 1.00% | -0.44% |
| 2006 | 3 | \$11.45 | \$30 | (c) | 1.00% | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |
| Templeton Foreign Fund - Class A | | | | | | |
| 2008 | 71 | \$8.88 to \$9.41 | \$658 | 3.00% | 0.55% to 1.75% | -46.99% to -46.40% |
| 2007 | 82 | \$16.75 to \$17.56 | \$1,410 | 1.84% | 0.55% to 1.75% | 15.20% to 16.60% |
| 2006 | 59 | \$14.54 to \$15.06 | \$876 | 2.28% | 0.55% to 1.75% | 18.01% to 19.06% |
| 2005 | 51 | \$12.36 to \$12.59 | \$637 | 1.84% | 0.70% to 1.65% | 8.80% to 9.86% |
| 2004 | 39 | \$11.36 to \$11.46 | \$450 | (a) | 0.65% to 1.65% | (a) |
| Templeton Global Bond Fund - Class A | | | | | | |
| 2008 | 6,885 | \$10.59 to \$23.17 | \$110,722 | 9.04% | 0.00% to 1.50% | 4.73% to 6.28% |
| 2007 | 4,997 | \$12.26 to \$21.80 | \$72,664 | 7.52% | 0.00% to 1.50% | 9.14% to 10.83% |
| 2006 | 2,522 | \$11.13 to \$19.67 | \$33,054 | 5.57% | 0.00% to 1.50% | 11.73% to 12.85% |
| 2005 | 1,327 | \$11.07 to \$16.96 | \$15,341 | 5.36% | 0.50% to 1.50% | -3.59% to -4.49% |
| 2004 | 572 | \$11.59 to \$17.55 | \$6,775 | (a) | 0.55% to 1.50% | (a) |
| Diversified Value Portfolio | | | | | | |
| 2008 | 9 | \$9.01 to \$9.44 | \$80 | 3.09% | 0.95% to 1.95% | -37.34% to -36.73% |
| 2007 | 8 | \$14.38 to \$14.92 | \$114 | 1.87% | 0.95% to 1.95% | 2.97% |
| 2006 | 7 | \$14.09 to \$14.49 | \$100 | (g) | 0.95% to 2.00% | (g) |
| 2005 | 5 | \$12.09 to \$12.25 | \$63 | (b) | 1.25% to 2.05% | (b) |
| 2004 | (b) | (b) | (b) | (b) | (b) | (b) |
| Equity Income Portfolio | | | | | | |
| 2008 | 17 | \$9.38 to \$9.76 | \$165 | 3.84% | 1.10% to 1.95% | -32.23% to -31.65% |
| 2007 | 21 | \$13.84 to \$14.28 | \$304 | 2.23% | 1.10% to 1.95% | 3.40% |
| 2006 | 17 | \$13.48 to \$13.81 | \$235 | 1.93% | 1.10% to 2.00% | 19.36% to 19.36% |
| 2005 | 21 | \$11.39 to \$11.57 | \$240 | 2.23% | 1.10% to 2.05% | 2.41% to 3.03% |
| 2004 | 18 | \$11.19 to \$11.23 | \$208 | (a) | 1.10% to 1.65% | (a) |

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|-------------------------------------------------------------------|---------|---------------------|-----|---------|------------|---------------------------|----------------------------|-----|-------|---------------------------|----|---------|
| | (000's) | (lowest to highest) | | | (000's) | Income Ratio ^A | (lowest to highest) | | | (lowest to highest) | | |
| Small Company Growth Portfolio | | | | | | | | | | | | |
| 2008 | 8 | \$7.57 | to | \$7.93 | \$64 | - | 0.95% | to | 1.95% | -40.63% | to | -40.02% |
| 2007 | 7 | \$12.75 | to | \$13.22 | \$86 | - | 0.95% | to | 1.95% | 2.80% | | |
| 2006 | 1 | \$12.51 | to | \$12.86 | \$18 | (g) | 0.95% | to | 2.00% | (g) | | |
| 2005 | - | \$11.57 | to | \$11.72 | - | (b) | 1.25% | to | 2.05% | (b) | | |
| 2004 | (b) | | (b) | | (b) | (b) | | (b) | | (b) | | |
| Wanger International | | | | | | | | | | | | |
| 2008 | 1,203 | \$5.11 | to | \$5.75 | \$6,819 | 1.00% | 0.00% | to | 1.50% | -46.37% | to | -45.60% |
| 2007 | 916 | \$10.46 | to | \$10.57 | \$9,623 | (d) | 0.00% | to | 1.50% | (d) | | |
| 2006 | (d) | | (d) | | (d) | (d) | | (d) | | (d) | | |
| 2005 | (d) | | (d) | | (d) | (d) | | (d) | | (d) | | |
| 2004 | (d) | | (d) | | (d) | (d) | | (d) | | (d) | | |
| Wanger Select | | | | | | | | | | | | |
| 2008 | 4,338 | \$4.80 | to | \$8.48 | \$35,288 | - | 0.00% | to | 1.50% | -49.84% | to | -49.04% |
| 2007 | 4,150 | \$15.70 | to | \$16.65 | \$66,892 | - | 0.00% | to | 1.50% | 7.73% | to | 9.02% |
| 2006 | 1,756 | \$14.45 | to | \$15.37 | \$26,052 | 0.25% | 0.15% | to | 1.50% | 17.90% | to | 19.00% |
| 2005 | 559 | \$12.40 | to | \$12.94 | \$6,985 | - | 0.60% | to | 1.50% | 8.87% | to | 9.69% |
| 2004 | 195 | \$11.39 | to | \$11.85 | \$2,227 | (a) | 0.70% | to | 1.50% | (a) | | |
| Wanger USA | | | | | | | | | | | | |
| 2008 | 1,727 | \$5.83 | to | \$8.89 | \$14,699 | - | 0.00% | to | 1.50% | -40.59% | to | -37.59% |
| 2007 | 1,512 | \$13.11 | to | \$14.89 | \$21,526 | - | 0.05% | to | 1.50% | -0.63% | to | 4.86% |
| 2006 | 1,254 | \$12.52 | to | \$14.27 | \$17,111 | 0.22% | 0.15% | to | 1.50% | 6.31% | to | 7.30% |
| 2005 | 725 | \$12.66 | to | \$13.34 | \$9,257 | - | 0.00% | to | 1.50% | 9.61% | to | 10.66% |
| 2004 | 186 | \$11.55 | to | \$12.12 | \$2,155 | (a) | 0.55% | to | 1.50% | (a) | | |
| Washington Mutual Investors Fund SM , Inc. - Class R-3 | | | | | | | | | | | | |
| 2008 | 448 | \$8.39 | to | \$9.05 | \$3,911 | 2.30% | 0.00% | to | 1.55% | -34.35% | to | -33.31% |
| 2007 | 395 | \$12.78 | to | \$13.57 | \$5,204 | 1.77% | 0.00% | to | 1.55% | 2.08% | to | 3.38% |
| 2006 | 301 | \$12.52 | to | \$13.02 | \$3,858 | 1.62% | 0.20% | to | 1.55% | 15.82% | to | 17.24% |
| 2005 | 198 | \$10.81 | to | \$11.09 | \$2,177 | 1.64% | 0.25% | to | 1.55% | 1.78% | to | 2.88% |
| 2004 | 115 | \$10.66 | to | \$10.77 | \$1,232 | (a) | 0.30% | to | 1.40% | (a) | | |

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|-------------------------------------------------------------------|---------------------------------|------------------------------------------------------|-------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------|
| Washington Mutual Investors Fund SM , Inc. - Class R-4 | | | | | | |
| 2008 | 6,960 | \$6.43 to \$9.25 | \$60,944 | 2.56% | 0.00% to 1.50% | -34.15% to -33.33% |
| 2007 | 6,883 | \$12.73 to \$13.71 | \$91,248 | 1.97% | 0.25% to 1.50% | 2.34% to 3.56% |
| 2006 | 6,828 | \$12.38 to \$13.21 | \$88,156 | 1.90% | 0.30% to 1.50% | 16.17% to 17.48% |
| 2005 | 5,985 | \$10.60 to \$11.29 | \$66,271 | 2.09% | 0.40% to 1.50% | 1.94% to 2.95% |
| 2004 | 3,309 | \$10.80 to \$11.08 | \$35,859 | (a) | 0.55% to 1.50% | (a) |
| Wells Fargo Advantage Small Cap Value Fund - Class A | | | | | | |
| 2008 | 7 | \$7.12 | \$46 | - | 1.00% | -39.04% |
| 2007 | 4 | \$11.68 | \$47 | - | 1.00% | 9.16% |
| 2006 | 2 | \$10.70 | \$21 | (c) | 1.00% | (c) |
| 2005 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2004 | (c) | (c) | (c) | (c) | (c) | (c) |

- (a) As this investment Division was not available until 2004, this data is not meaningful and therefore is not presented.
(b) As this investment Division was not available until 2005, this data is not meaningful and therefore is not presented.
(c) As this investment Division was not available until 2006, this data is not meaningful and therefore is not presented.
(d) As this investment Division was not available until 2007, this data is not meaningful and therefore is not presented.
(e) As this investment Division was not available until 2008, this data is not meaningful and therefore is not presented.
(f) As this investment Division is wholly comprised of new contract bands at December 31, 2005, this data is not meaningful and therefore is not presented.
(g) As this investment Division is wholly comprised of new contract bands at December 31, 2006, this data is not meaningful and therefore is not presented.
(h) As this investment Division is wholly comprised of new contract bands at December 31, 2007, this data is not meaningful and therefore is not presented.

- A** The Investment Income Ratio represents dividends received by the Division, excluding capital gains distributions divided by the average net assets. The recognition of investment income is determined by the timing of the declaration of dividends by the underlying fund in which the Division invests.
B The Expense Ratio considers only the expenses borne directly by the Account and is equal to the mortality and expense, administrative and other charges, as defined in Note 5. Certain items in this table are presented as a range of minimum and maximum values; however, such information is calculated independently for each column in the table.
C Total Return is calculated as the change in unit value for each Contract presented in the Statements of Assets and Liabilities. Certain items in this table are presented as a range of minimum and maximum values; however, such information is calculated independently for each column in the table.

* Includes units for annuity contracts in payout beginning in 2006.

ING Life Insurance and Annuity Company and Subsidiaries
(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)

Index to Consolidated Financial Statements

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Report of Independent Registered Public Accounting Firm

The Board of Directors
ING Life Insurance and Annuity Company

We have audited the accompanying consolidated balance sheets of ING Life Insurance and Annuity Company and subsidiaries as of December 31, 2008 and 2007, and the related consolidated statements of operations, changes in shareholder's equity, and cash flows for each of the three years in the period ended December 31, 2008. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of ING Life Insurance and Annuity Company and subsidiaries as of December 31, 2008 and 2007, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2008, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Atlanta, Georgia
March 26, 2009

ING Life Insurance and Annuity Company and Subsidiaries
(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)

Consolidated Statements of Operations
(In millions)

| | Year Ended December 31, | | |
|-------------------------------------------------------------------------------------|-------------------------|------------|------------|
| | 2008 | 2007 | 2006 |
| Revenue: | | | |
| Net investment income | \$ 1,083.7 | \$ 1,054.7 | \$ 1,029.7 |
| Fee income | 612.9 | 769.9 | 714.8 |
| Premiums | 46.9 | 46.8 | 37.5 |
| Broker-dealer commission revenue | 622.5 | 568.4 | 429.2 |
| Net realized capital (losses) gains | (653.1) | (27.6) | 3.0 |
| Other income | 21.3 | 20.3 | 15.7 |
| Total revenue | 1,734.2 | 2,432.5 | 2,229.9 |
| Benefits and expenses: | | | |
| Interest credited and other benefits to contractowners | 1,432.4 | 802.8 | 783.7 |
| Operating expenses | 687.5 | 652.2 | 568.3 |
| Broker-dealer commission expense | 622.5 | 568.4 | 429.2 |
| Net amortization of deferred policy acquisition cost and value of business acquired | 128.9 | 129.2 | 21.3 |
| Interest expense | 1.4 | 5.5 | 2.9 |
| Total benefits and expenses | 2,872.7 | 2,158.1 | 1,805.4 |
| (Loss) income before income taxes | (1,138.5) | 274.4 | 424.5 |
| Income tax (benefit) expense | (108.3) | 56.0 | 122.7 |
| Net (loss) income | \$ (1,030.2) | \$ 218.4 | \$ 301.8 |

The accompanying notes are an integral part of these consolidated financial statements.

ING Life Insurance and Annuity Company and Subsidiaries
(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)

Consolidated Balance Sheets
(In millions, except share data)

| | As of December 31, | |
|----------------------------------------------------------------------------------------------------------------------|---------------------------|--------------------|
| | 2008 | 2007 |
| Assets | | |
| Investments: | | |
| Fixed maturities, available-for-sale, at fair value (amortized cost of \$14,632.6 at 2008 and \$13,374.7 at 2007) | \$ 13,252.2 | \$ 13,316.3 |
| Equity securities, available-for-sale, at fair value (cost of \$247.7 at 2008 and \$440.1 at 2007) | 240.3 | 446.4 |
| Short-term investments | 41.9 | 167.9 |
| Mortgage loans on real estate | 2,107.8 | 2,089.4 |
| Policy loans | 267.8 | 273.4 |
| Limited partnerships/corporations | 513.9 | 636.1 |
| Other investments | 235.2 | 34.8 |
| Securities pledged (amortized cost of \$1,160.5 at 2008 and \$940.2 at 2007) | 1,225.4 | 934.1 |
| Total investments | 17,884.5 | 17,898.4 |
| Cash and cash equivalents | 203.5 | 252.3 |
| Short-term investments under securities loan agreement, including collateral delivered | 483.9 | 202.7 |
| Accrued investment income | 205.8 | 168.3 |
| Receivables for securities sold | 5.5 | 5.6 |
| Reinsurance recoverable | 2,505.6 | 2,594.4 |
| Deferred policy acquisition costs | 865.5 | 728.6 |
| Value of business acquired | 1,832.5 | 1,253.2 |
| Notes receivable from affiliate | 175.0 | 175.0 |
| Due from affiliates | 13.8 | 10.6 |
| Current income tax recoverable | 38.6 | - |
| Property and equipment | 114.7 | 147.4 |
| Other assets | 233.3 | 112.1 |
| Assets held in separate accounts | 35,927.7 | 48,091.2 |
| Total assets | \$ 60,489.9 | \$ 71,639.8 |

The accompanying notes are an integral part of these consolidated financial statements.

ING Life Insurance and Annuity Company and Subsidiaries
(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)

Consolidated Balance Sheets
(In millions, except share data)

| | As of December 31, | |
|-----------------------------------------------------------------------------------------------|---------------------------|--------------------|
| | 2008 | 2007 |
| Liabilities and Shareholder's Equity | | |
| Future policy benefits and claims reserves | \$ 20,782.1 | \$ 18,569.1 |
| Payables for securities purchased | 1.6 | 0.2 |
| Payables under securities loan agreement, including collateral held | 488.3 | 183.9 |
| Notes payable | 17.9 | 9.9 |
| Borrowed money | 615.3 | 738.4 |
| Due to affiliates | 116.7 | 130.7 |
| Current income taxes | - | 56.8 |
| Deferred income taxes | 101.1 | 275.9 |
| Other liabilities | 874.7 | 542.7 |
| Liabilities related to separate accounts | 35,927.7 | 48,091.2 |
| Total liabilities | 58,925.4 | 68,598.8 |
| Shareholder's equity | | |
| Common stock (100,000 shares authorized; 55,000 issued and outstanding; \$50 per share value) | 2.8 | 2.8 |
| Additional paid-in capital | 4,161.3 | 4,159.3 |
| Accumulated other comprehensive loss | (482.1) | (33.8) |
| Retained earnings (deficit) | (2,117.5) | (1,087.3) |
| Total shareholder's equity | 1,564.5 | 3,041.0 |
| Total liabilities and shareholder's equity | \$ 60,489.9 | \$ 71,639.8 |

The accompanying notes are an integral part of these consolidated financial statements.

ING Life Insurance and Annuity Company and Subsidiaries
(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)

Consolidated Statements of Changes in Shareholder's Equity
(In millions)

| | Common Stock | Additional Paid-In Capital | Accumulated Other Comprehensive Income (Loss) | Retained Earnings (Deficit) | Total Shareholder's Equity |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------------------------|--------------------------------------------------------|-----------------------------------|----------------------------------|
| Balance at December 31, 2005 | \$ 2.8 | \$ 4,549.6 | \$ (5.3) | \$ (1,576.4) | \$ 2,970.7 |
| Comprehensive income: | | | | | |
| Net income | - | - | - | 301.8 | 301.8 |
| Other comprehensive loss, net of tax: | | | | | |
| Change in net unrealized capital gains (losses) on securities (\$(23.4) pretax) | - | - | (10.7) | - | (10.7) |
| Pension liability and FAS No. 158 transition adjustment (\$3.9 pretax) | - | - | 2.5 | - | 2.5 |
| Total comprehensive income | | | | | 293.6 |
| Cumulative effect of change in accounting principle (\$(0.8) pretax) | | | (0.5) | - | (0.5) |
| Dividends paid | - | (256.0) | - | - | (256.0) |
| Employee share-based payments | - | 5.9 | - | - | 5.9 |
| Balance at December 31, 2006 | 2.8 | 4,299.5 | (14.0) | (1,274.6) | 3,013.7 |
| Cumulative effect of change in accounting principle | - | - | - | (31.1) | (31.1) |
| Balance at January 1, 2007 | 2.8 | 4,299.5 | (14.0) | (1,305.7) | 2,982.6 |
| Comprehensive income: | | | | | |
| Net income | - | - | - | 218.4 | 218.4 |
| Other comprehensive loss, net of tax: | | | | | |
| Change in net unrealized capital gains (losses) on securities (\$(27.7) pretax), including tax valuation allowance of \$(6.4) | - | - | (24.4) | - | (24.4) |
| Pension liability (\$7.1 pretax) | - | - | 4.6 | - | 4.6 |
| Total comprehensive income | | | | | 198.6 |
| Dividends paid | - | (145.0) | - | - | (145.0) |
| Employee share-based payments | - | 4.8 | - | - | 4.8 |
| Balance at December 31, 2007 | 2.8 | 4,159.3 | (33.8) | (1,087.3) | 3,041.0 |
| Comprehensive loss: | | | | | |
| Net loss | - | - | - | (1,030.2) | (1,030.2) |
| Other comprehensive loss, net of tax: | | | | | |
| Change in net unrealized capital gains (losses) on securities (\$(635.4) pretax), including tax valuation allowance of \$6.4 | - | - | (435.3) | - | (435.3) |
| Pension liability (\$18.7 pretax) | - | - | (13.0) | - | (13.0) |
| Total comprehensive loss | | | | | (1,478.5) |
| Dividends paid | - | - | - | - | - |
| Employee share-based payments | - | 2.0 | - | - | 2.0 |
| Balance at December 31, 2008 | <u>\$ 2.8</u> | <u>\$ 4,161.3</u> | <u>\$ (482.1)</u> | <u>\$ (2,117.5)</u> | <u>\$ 1,564.5</u> |

The accompanying notes are an integral part of these consolidated financial statements.

ING Life Insurance and Annuity Company and Subsidiaries
(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)

Consolidated Statements of Cash Flows
(In millions)

| | Year Ended December 31, | | |
|----------------------------------------------------------------------------------------------------------|--------------------------------|-------------|-------------|
| | 2008 | 2007 | 2006 |
| Cash Flows from Operating Activities: | | | |
| Net (loss) income | \$ (1,030.2) | \$ 218.4 | \$ 301.8 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Capitalization of deferred policy acquisition costs, value of business acquired, and sales inducements | (205.1) | (193.4) | (191.0) |
| Net amortization of deferred policy acquisition costs, value of business acquired, and sales inducements | 128.3 | 133.9 | 25.9 |
| Net accretion/decretion of discount/premium | 87.1 | 72.7 | 83.8 |
| Future policy benefits, claims reserves, and interest credited | 1,296.8 | 579.6 | 662.5 |
| Provision for deferred income taxes | 25.3 | 30.4 | 75.6 |
| Net realized capital losses (gains) | 653.1 | 27.6 | (3.0) |
| Depreciation | 56.7 | 18.2 | 12.6 |
| Change in: | | | |
| Accrued investment income | (37.5) | 12.1 | 23.2 |
| Reinsurance recoverable | 88.8 | 121.0 | 81.3 |
| Other receivable and assets accruals | (115.3) | (37.0) | (20.1) |
| Due to/from affiliates | (17.2) | 46.4 | 20.4 |
| Other payables and accruals | (120.3) | 17.8 | 86.3 |
| Other, net | (44.0) | (16.4) | 5.9 |
| Net cash provided by operating activities | 766.5 | 1,031.3 | 1,165.2 |
| Cash Flows from Investing Activities: | | | |
| Proceeds from the sale, maturity, or redemption of: | | | |
| Fixed maturities, available-for-sale | 9,039.7 | 10,235.6 | 10,355.2 |
| Equity securities, available-for-sale | 135.0 | 113.8 | 91.7 |
| Mortgage loans on real estate | 146.5 | 205.4 | 197.0 |
| Acquisition of: | | | |
| Fixed maturities, available-for-sale | (11,593.4) | (8,425.5) | (8,802.1) |
| Equity securities, available-for-sale | (54.8) | (243.9) | (149.1) |
| Mortgage loans on real estate | (168.0) | (415.1) | (680.3) |
| Policy loans, net | 5.6 | (4.5) | (6.5) |
| Derivatives, net | 52.6 | 32.2 | 1.4 |
| Limited partnerships, net | 81.5 | (279.5) | (237.6) |
| Short-term investments, net | 126.0 | (163.3) | - |
| Purchases of property and equipment, net | (24.0) | (90.5) | (54.5) |
| Collateral received (paid) | 23.2 | (18.8) | - |
| Other investments | 0.7 | - | (4.0) |
| Net cash (used in) provided by investing activities | (2,229.4) | 945.9 | 711.2 |

The accompanying notes are an integral part of these consolidated financial statements.

ING Life Insurance and Annuity Company and Subsidiaries
(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)

Consolidated Statements of Cash Flows
(In millions)

| | Year Ended December 31, | | |
|------------------------------------------------------|--------------------------------|-------------|-------------|
| | 2008 | 2007 | 2006 |
| Cash Flows from Financing Activities: | | | |
| Deposits received for investment contracts | 3,836.4 | 1,600.0 | 1,875.7 |
| Maturities and withdrawals from investment contracts | (2,312.2) | (3,451.2) | (3,420.7) |
| Short-term loans to affiliates | 13.0 | 45.0 | 86.0 |
| Short-term repayments | (123.1) | (94.8) | (107.9) |
| Notes payable | - | 9.9 | - |
| Dividends to Parent | - | (145.0) | (256.0) |
| Net cash provided by (used in) financing activities | 1,414.1 | (2,036.1) | (1,822.9) |
| Net (decrease) increase in cash and cash equivalents | (48.8) | (58.9) | 53.5 |
| Cash and cash equivalents, beginning of year | 252.3 | 311.2 | 257.7 |
| Cash and cash equivalents, end of year | \$ 203.5 | \$ 252.3 | \$ 311.2 |
| Supplemental cash flow information: | | | |
| Income taxes (received) paid, net | \$ (44.1) | \$ 45.1 | \$ 37.6 |
| Interest paid | \$ 23.6 | \$ 44.6 | \$ 40.8 |

The accompanying notes are an integral part of these consolidated financial statements.

ING Life Insurance and Annuity Company and Subsidiaries
(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)
Notes to Consolidated Financial Statements
(Dollar amount in millions, unless otherwise stated)

1. Organization and Significant Accounting Policies

Basis of Presentation

ING Life Insurance and Annuity Company (“ILIAC”) is a stock life insurance company domiciled in the state of Connecticut. ILIAC and its wholly-owned subsidiaries (collectively, the “Company”) are providers of financial products and services in the United States. ILIAC is authorized to conduct its insurance business in all states and in the District of Columbia.

The consolidated financial statements include ILIAC and its wholly-owned subsidiaries, ING Financial Advisers, LLC (“IFA”) and Directed Services LLC (“DSL”). ILIAC is a direct, wholly-owned subsidiary of Lion Connecticut Holdings Inc. (“Lion” or “Parent”), which is an indirect, wholly-owned subsidiary of ING Groep N.V. (“ING”). ING is a global financial services holding company based in The Netherlands, with American Depository Shares listed on the New York Stock Exchange under the symbol “ING.”

On December 1, 2006, Lion contributed to ILIAC, Directed Services, Inc. (“DSI”), a New York corporation registered as a broker-dealer under the Securities Exchange Act of 1934 and as an investment advisor under the Investment Advisors Act of 1940, whose primary functions were the distribution of variable insurance products and investment advisory services for open-end mutual funds. Additionally, on December 12, 2006, ILIAC organized DSL as a wholly-owned Delaware limited liability company. On December 31, 2006, DSI merged with and into DSL and ceased to exist. Upon merger, the operations and broker-dealer and investment advisor registrations of DSI were consolidated into DSL, the surviving company. Effective January 1, 2007, ILIAC’s investment advisory agreement with certain variable funds offered in Company products was assigned to DSL.

On May 11, 2006, ILIAC organized NWL as a wholly-owned subsidiary for the purpose of purchasing, constructing, developing, leasing, and managing a new corporate office facility to be located at One Orange Way, Windsor, Connecticut (the “Windsor Property”). Effective October 1, 2007, the principal executive office of ILIAC was changed to One Orange Way, Windsor, Connecticut.

On October 31, 2007, ILIAC’s subsidiary, NWL merged with and into ILIAC. As of the merger date, NWL ceased to exist, and ILIAC became the surviving corporation. The merger did not have an impact on ILIAC’s consolidated results of operations and financial position, as NWL was a wholly-owned subsidiary and already included in the consolidated financial statements for all periods presented since its formation.

Description of Business

The Company offers qualified and nonqualified annuity contracts that include a variety of funding and payout options for individuals and employer-sponsored retirement plans qualified under Internal Revenue Code Sections 401, 403, 408, and 457, as well as nonqualified deferred compensation plans and related services. The Company’s products

ING Life Insurance and Annuity Company and Subsidiaries

(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)

Notes to Consolidated Financial Statements

(Dollar amount in millions, unless otherwise stated)

are offered primarily to individuals, pension plans, small businesses, and employer-sponsored groups in the health care, government, and education markets (collectively “not-for-profit” organizations) and corporate markets. The Company’s products are generally distributed through pension professionals, independent agents and brokers, third party administrators, banks, dedicated career agents, and financial planners.

Products offered by the Company include deferred and immediate (payout annuities) annuity contracts. Company products also include programs offered to qualified plans and nonqualified deferred compensation plans that package administrative and record-keeping services along with a variety of investment options, including affiliated and nonaffiliated mutual funds and variable and fixed investment options. In addition, the Company offers wrapper agreements entered into with retirement plans, which contain certain benefit responsive guarantees (i.e., liquidity guarantees of principal and previously accrued interest for benefits paid under the terms of the plan) with respect to portfolios of plan-owned assets not invested with the Company. The Company also offers pension and retirement savings plan administrative services.

The Company has one operating segment.

Recently Adopted Accounting Standards

Fair Value Measurements

In September 2006, the Financial Accounting Standards Board (“FASB”) issued Statement of Financial Accounting Standards (“FAS”) No. 157, “Fair Value Measurements” (“FAS 157”). FAS 157 provides guidance for using fair value to measure assets and liabilities whenever other standards require (or permit) assets or liabilities to be measured at fair value. FAS 157 does not expand the use of fair value to any new circumstances.

Under FAS 157, the FASB clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the asset or liability. In support of this principle, FAS 157 establishes a fair value hierarchy that prioritizes the information used to develop such assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets and the lowest priority to unobservable data. FAS 157 also requires separate disclosure of fair value measurements by level within the hierarchy and expanded disclosure of the effect on earnings for items measured using unobservable data.

FAS 157 was adopted by the Company on January 1, 2008. As a result of implementing FAS 157, the Company recognized \$1.7, before tax, as an increase to Net income on the date of adoption related to the fair value measurements of the reserves for product guarantees. The impact of implementation was included in Interest credited and other benefits to contractholders on the Consolidated Statements of Operations.

ING Life Insurance and Annuity Company and Subsidiaries

(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)

Notes to Consolidated Financial Statements

(Dollar amount in millions, unless otherwise stated)

In October 2008, the FASB issued FASB Staff Position (“FSP”) FAS No. 157-3, “Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active” (“FSP FAS 157-3”), which provides clarifying guidance on the application of FAS 157 to financial assets in a market that is not active and was effective upon issuance. FSP FAS 157-3 had no effect on the Company’s financial condition, results of operations, or cash flows upon adoption, as its guidance is consistent with that applied by the Company upon adoption of FAS 157.

The Company recognized no other adjustments to its financial statements related to the adoption of FAS 157, and new disclosures are included in the Financial Instruments footnote.

The Fair Value Option for Financial Assets and Financial Liabilities

In February 2007, the FASB issued FAS No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities” (“FAS 159”), which allows a company to make an irrevocable election, on specific election dates, to measure eligible items at fair value with unrealized gains and losses recognized in earnings at each subsequent reporting date. The election to measure an item at fair value may be determined on an instrument by instrument basis, with certain exceptions. If the fair value option is elected, any upfront costs and fees related to the item will be recognized in earnings as incurred. Items eligible for the fair value option include:

- Certain recognized financial assets and liabilities;
- Rights and obligations under certain insurance contracts that are not financial instruments;
- Host financial instruments resulting from the separation of an embedded nonfinancial derivative instrument from a nonfinancial hybrid instrument; and
- Certain commitments.

FAS 159 was adopted by the Company on January 1, 2008. In implementing FAS 159, the Company elected not to take the fair value option for any eligible assets or liabilities in existence on January 1, 2008, or in existence at the date of these Consolidated Financial Statements.

Offsetting of Amounts Related to Certain Contracts

On April 30, 2007, the FASB issued a FSP on FASB Interpretation (“FIN”) No. 39, “Offsetting of Amounts Related to Certain Contracts” (“FSP FIN 39-1”), which permits a reporting entity to offset fair value amounts recognized for the right to reclaim or the obligation to return cash collateral against fair value amounts recognized for derivative instruments under master netting arrangements. FSP FIN 39-1 had no effect on the financial condition, results of operations, or cash flows upon adoption by the Company on January 1, 2008, as it is the Company’s accounting policy not to offset such fair value amounts.

ING Life Insurance and Annuity Company and Subsidiaries

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Notes to Consolidated Financial Statements

(Dollar amount in millions, unless otherwise stated)

Accounting for Uncertainty in Income Taxes

In June 2006, the FASB issued FIN No. 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48"), which creates a single model to address the accounting for the uncertainty in income tax positions recognized in a company's financial statements. FIN 48 prescribes a recognition threshold and measurement criteria that must be satisfied to recognize a financial statement benefit of tax positions taken, or expected to be taken, on an income tax return. Additionally, FIN 48 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

FIN 48 was adopted by the Company on January 1, 2007. As a result of implementing FIN 48, the Company recognized a cumulative effect of change in accounting principle of \$2.9 as a reduction to January 1, 2007 Retained earnings (deficit).

Accounting by Insurance Enterprises for Deferred Acquisition Costs in Connection with Modifications or Exchanges of Insurance Contracts

In September 2005, the American Institute of Certified Public Accountants ("AICPA") issued Statement of Position ("SOP") 05-1, "Accounting by Insurance Enterprises for Deferred Acquisition Costs in Connection with Modifications or Exchanges of Insurance Contracts" ("SOP 05-1"), which states that when an internal replacement transaction results in a substantially changed contract, the unamortized deferred acquisition costs, unearned revenue liabilities, and deferred sales inducement assets, related to the replaced contract should not be deferred in connection with the new contract. Contract modifications that meet various conditions defined by SOP 05-1 and result in a new contract that is substantially unchanged from the replaced contract, however, should be accounted for as a continuation of the replaced contract.

SOP 05-1 defines an internal replacement as a modification in product benefits, features, rights, or coverage that occurs by the exchange of a contract for a new contract, by amendment, endorsement, or rider, to a contract, or by the election of a feature or coverage within a contract. SOP 05-1 applies to internal replacements made primarily to contracts defined by FAS No. 60, "Accounting and Reporting by Insurance Enterprises" ("FAS 60"), as short-duration and long-duration insurance contracts, and by FAS No. 97, "Accounting and Reporting by Insurance Enterprises for Certain Long-Duration Contracts and for Realized Gains and Losses from the Sale of Investments" ("FAS 97"), as investment contracts.

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(Dollar amount in millions, unless otherwise stated)

SOP 05-1 was adopted by the Company on January 1, 2007, and is effective for internal replacements occurring on or after that date. As a result of implementing SOP 05-1, the Company recognized a cumulative effect of change in accounting principle of \$43.4, before tax, or \$28.2, net of \$15.2 of income taxes, as a reduction to January 1, 2007 Retained earnings (deficit). In addition, the Company revised its accounting policy on the amortization of deferred policy acquisition costs ("DAC") and value of business acquired ("VOBA") to include internal replacements.

Disclosures about Credit Derivatives and Certain Guarantees

In September 2008, the FASB issued FSP FAS No. 133-1 and FIN No. 45-4, "Disclosures about Credit Derivatives and Certain Guarantees: An Amendment of FASB Statement No. 133 and FASB Interpretation No. 45; and Clarification of the Effective Date of FASB Statement No. 161" ("FSP FAS 133-1 and FIN 45-4"), which does the following:

- Amends FAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("FAS 133"), requiring additional disclosures by sellers of credit derivatives;
- Amends FASB Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" ("FIN 45"), requiring additional disclosure about the current status of the payment/performance risk of a guarantee; and
- Clarifies the effective date of FAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities" ("FAS 161").

FSP FAS 133-1 and FIN 45-4 was adopted by the Company on December 31, 2008. In implementing FSP FAS 133-1 and FIN 45-4, the Company determined that its adoption had no financial statement impact. New disclosures are included in the Financial Instruments and Commitments and Contingent Liabilities footnotes.

The clarification in the FSP of the effective date of FAS 161 is consistent with the guidance in FAS 161 and the Company's disclosure provided herein.

Disclosures by Public Entities (Enterprises) about Transfers of Financial Assets and Interests in Variable Interest Entities

In December, 2008, the FASB issued FSP FAS 140-4 and FIN 46(R)-8, "Disclosures by Public Entities (Enterprises) about Transfers of Financial Assets and Interests in Variable Interest Entities" ("FSP FAS 140-4 and FIN 46(R)-8"), which requires additional disclosures regarding a transferor's continuing involvement with financial assets transferred in a securitization or asset-backed financing arrangement and an enterprise's involvement with variable interest entities ("VIEs") and qualifying special purpose entities ("QSPEs").

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FSP FAS 140-4 and FIN 46(R)-8 was adopted by the Company on December 31, 2008. In implementing FSP FAS 140-4 and FIN 46(R)-8, the Company determined that its adoption has no financial statement impact. The Company does not have any QSPEs or continuing involvement with financial assets transferred in a securitization or asset-backed financing arrangement.

Amendments to Impairment Guidance

In January 2009, the FASB issued FSP Emerging Issues Task Force (“EITF”) 99-20-1, “Amendments to the Impairment Guidance of EITF Issue No. 99-20” (“FSP EITF 99-20-1”), which amends EITF 99-20, “Recognition of Interest Income and Impairment on Purchased Beneficial Interests and Beneficial Interests That Continue to Be Held by a Transferor in Securitized Financial Assets” (“EITF 99-20”). FSP EITF 99-20-1 requires that an other-than-temporary impairment on investments that meet the criteria of EITF 99-20 be recognized as a realized loss through earnings when it is probable there has been an adverse change in the holder’s estimated cash flow, consistent with the impairment model in FAS No. 115, “Accounting for Certain Investments in Debt and Equity Securities.”

FSP EITF 99-20-1 was adopted by the Company on December 31, 2008, prospectively. In implementing FSP EITF 99-20-1, the Company determined there was a minimal effect on financial position, results of operations, and cash flows, as the structured securities held by the Company were highly rated at issue.

New Accounting Pronouncements

Disclosures about Derivative Instruments and Hedging Activities

In March 2008, the FASB issued FAS 161, which requires enhanced disclosures about objectives and strategies for using derivatives, fair value amounts of and gains and losses on derivative instruments, and credit-risk-related contingent features in derivative agreements, including:

- How and why derivative instruments are used;
- How derivative instruments and related hedged items are accounted for under FAS 133 and its related interpretations; and
- How derivative instruments and related hedged items affect an entity’s financial statements.

The provisions of FAS 161 are effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. The Company is currently in the process of determining the impact of adoption of FAS 161 on its disclosures; however, as the pronouncement only pertains to additional disclosures, the Company has determined that the adoption of FAS 161 will have no financial statement impact. In addition, the Company’s derivatives are generally

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not accounted for using hedge accounting treatment under FAS 133, as the Company has not historically sought hedge accounting treatment.

Business Combinations

In December 2007, the FASB issued FAS No. 141 (revised 2007), “Business Combinations” (“FAS 141R”), which replaces FAS No. 141, “Business Combinations,” as issued in 2001. FAS 141R requires most identifiable assets, liabilities, noncontrolling interest, and goodwill acquired in a business combination to be recorded at full fair value as of the acquisition date, even for acquisitions achieved in stages. In addition, the statement requires:

- Acquisition-related costs to be recognized separately and generally expensed;
- Non-obligatory restructuring costs to be recognized separately when the liability is incurred;
- Contractual contingencies acquired to be recorded at acquisition-date fair values;
- A bargain purchase, which occurs when the fair value of net assets acquired exceeds the consideration transferred plus any non-controlling interest in the acquiree, to be recognized as a gain; and
- The nature and financial effects of the business combination to be disclosed.

FAS 141R also amends or eliminates various other authoritative literature.

The provisions of FAS 141R are effective for fiscal years beginning on or after December 15, 2008 for all business combinations occurring on or after that date. As such, this standard will impact any Company acquisitions that occur on or after January 1, 2009.

Equity Method Investment Accounting

In November 2008, the EITF reached consensus on EITF 08-6, “Equity Method Investment Accounting Considerations” (“EITF 08-6”), which requires, among other provisions, that:

- Equity method investments be initially measured at cost;
- Contingent consideration only be included in the initial measurement;
- An investor recognize its share of any impairment charge recorded by the equity investee; and
- An investor account for a share issuance by an equity investee as if the investor had sold a proportionate share of its investment;

The provisions of EITF 08-6 are effective in fiscal years beginning on or after December 15, 2008, and interim periods within those fiscal years. As such, this standard will impact Company acquisitions or changes in ownership with regards to equity investments that occur on or after January 1, 2009. The Company is currently in the process of determining the impact of the other-than-temporary impairment provisions.

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Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States (“US GAAP”) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from reported results using those estimates.

Reclassifications

Certain reclassifications have been made to prior year financial information to conform to the current year classifications.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, money market instruments, and other debt issues with a maturity of 90 days or less when purchased.

Investments

All of the Company’s fixed maturities and equity securities are currently designated as available-for-sale. Available-for-sale securities are reported at fair value and unrealized capital gains (losses) on these securities are recorded directly in Shareholder’s equity, after adjustment, if any, for related changes in experience-rated contract allocations, DAC, VOBA, and deferred income taxes.

Other-Than-Temporary Impairments

The Company analyzes the general account investments to determine whether there has been an other-than-temporary decline in fair value below the amortized cost basis. Management considers the length of time and the extent to which fair value has been less than amortized cost, the issuer’s financial condition and near-term prospects, future economic conditions and market forecasts, and the Company’s intent and ability to retain the investment for a period of time sufficient to allow for recovery in fair value. If it is probable that all amounts due according to the contractual terms of a debt security will not be collected, an other-than-temporary impairment is considered to have occurred.

In addition, the Company invests in structured securities that meet the criteria of the EITF 99-20. Under EITF 99-20, a further determination of the required impairment is based on credit risk and the possibility of significant prepayment risk that restricts the Company’s ability to recover the investment. An impairment is recognized if the fair value of the security is less than amortized cost and there has been adverse change in cash flow since the last remeasurement date.

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When a decline in fair value is determined to be other-than-temporary, the individual security is written down to fair value, and the loss is accounted for as a change in Net realized capital gains (losses).

Experience-Rated Products

Included in available-for-sale securities are investments that support experience-rated products. Experience-rated products are products where the customer, not the Company, assumes investment (including realized capital gains and losses) and other risks, subject to, among other things, minimum principal and interest guarantees. Unamortized realized capital gains (losses) on the sale of and unrealized capital gains (losses) on investments supporting these products are included in Future policy benefits and claims reserves on the Consolidated Balance Sheets. Net realized capital gains (losses) on all other investments were reflected in the Consolidated Statements of Operations. Unrealized capital gains (losses) on all other investments were reflected in Accumulated other comprehensive income (loss) in Shareholder's equity, net of DAC and VOBA adjustments for unrealized capital gains (losses), and related income taxes. During 2008, due to the current economic environment, which resulted in significant realized and unrealized losses associated with assets supporting experience-rated contracts, the Company accelerated the amortization of realized losses and recorded such amounts in Interest credited and other benefits to contractowners in the Consolidated Statements of Operations and recorded unrealized losses in Accumulated other comprehensive income (loss) in Shareholder's equity rather than Future policy benefits and claims reserves.

Purchases and Sales

Purchases and sales of fixed maturities and equity securities, excluding private placements, are recorded on the trade date. Purchases and sales of private placements and mortgage loans are recorded on the closing date.

Valuation

The fair values for the actively traded marketable fixed maturities are determined based upon the quoted market prices or dealer quotes. The fair values for marketable bonds without an active market are obtained through several commercial pricing services, which provide the estimated fair values. These services incorporate a variety of market observable information in their valuation techniques, including benchmark yields, broker-dealer quotes, credit quality, issuer spreads, bids, offers and other reference data. Valuations obtained from third party commercial pricing services are non-binding and are validated monthly through comparisons to internal pricing models, back testing to recent trades, and monitoring of trading volumes.

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Fair values of privately placed bonds are determined using a matrix-based pricing model. The model considers the current level of risk-free interest rates, current corporate spreads, the credit quality of the issuer, and cash flow characteristics of the security. Also considered are factors such as the net worth of the borrower, the value of collateral, the capital structure of the borrower, the presence of guarantees, and the Company's evaluation of the borrower's ability to compete in their relevant market. Using this data, the model generates estimated market values, which the Company considers reflective of the fair value of each privately placed bond.

The fair values for certain collateralized mortgage obligations ("CMO-Bs") are determined by taking the average of broker quotes when more than one broker quote is provided. A few of the CMO-Bs are priced by the originating broker due to the complexity and unique characteristics of the asset.

The fair values for actively traded equity securities are based on quoted market prices.

Mortgage loans on real estate are reported at amortized cost, less impairment write-downs. If the value of any mortgage loan is determined to be impaired (i.e., when it is probable the Company will be unable to collect all amounts due according to the contractual terms of the loan agreement), the carrying value of the mortgage loan is reduced to the present value of expected cash flows from the loan, discounted at the loan's effective interest rate, or fair value of the collateral. If the loan is in foreclosure, the carrying value is reduced to the fair value of the underlying collateral, net of estimated costs to obtain and sell. The carrying value of the impaired loans is reduced by establishing a permanent write-down recorded in Net realized capital gains (losses).

The fair value of policy loans is equal to the carrying, or cash surrender, value of the loans. Policy loans are fully collateralized by the account value of the associated insurance contracts.

Short-term investments, consisting primarily of money market instruments and other fixed maturity issues purchased with an original maturity of 91 days to one year, are considered available-for-sale and are carried at fair value.

Derivative instruments are reported at fair value primarily using the Company's derivative accounting system. The system uses key financial data, such as yield curves, exchange rates, Standard & Poor's ("S&P") 500 Index prices, and London Inter Bank Offered Rates ("LIBOR"), which are obtained from third party sources and uploaded into the system. For those derivatives that are unable to be valued by the accounting system, the Company typically utilizes values established by third party brokers. Embedded derivative instruments are reported at fair value based upon internally established valuations that are consistent with external valuation models or market quotations.

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Repurchase Agreements

The Company engages in dollar repurchase agreements (“dollar rolls”) and repurchase agreements to increase the return on investments and improve liquidity. These transactions involve a sale of securities and an agreement to repurchase substantially the same securities as those sold. Company policies require a minimum of 95% of the fair value of securities pledged under dollar rolls and repurchase agreement transactions to be maintained as collateral. Cash collateral received is invested in fixed maturities, and the carrying value of the securities pledged in dollar rolls and repurchase agreement transactions is included in Securities pledged on the Consolidated Balance Sheets. The repurchase obligation related to dollar rolls and repurchase agreements is included in Borrowed money on the Consolidated Balance Sheets.

The Company also enters into reverse repurchase agreements. These transactions involve a purchase of securities and an agreement to sell substantially the same securities as those purchased. Company policies require a minimum of 102% of the fair value of securities pledged under reverse repurchase agreements to be pledged as collateral. Reverse repurchase agreements are included in Cash and cash equivalents on the Consolidated Balance Sheets.

Securities Lending

The Company engages in securities lending whereby certain securities from its portfolio are loaned to other institutions for short periods of time. Initial collateral, primarily cash, is required at a rate of 102% of the market value of the loaned domestic securities. The collateral is deposited by the borrower with a lending agent, and retained and invested by the lending agent according to the Company’s guidelines to generate additional income. The market value of the loaned securities is monitored on a daily basis with additional collateral obtained or refunded as the market value of the loaned securities fluctuates.

Derivatives

The Company’s use of derivatives is limited mainly to hedging purposes to reduce the Company’s exposure to cash flow variability of assets and liabilities, interest rate risk, credit risk, and market risk. Generally, derivatives are not accounted for using hedge accounting treatment under FAS 133, as the Company has not historically sought hedge accounting treatment.

The Company enters into interest rate, equity market, credit default, and currency contracts, including swaps, caps, floors, and options, to reduce and manage risks associated with changes in value, yield, price, cash flow, or exchange rates of assets or liabilities held or intended to be held, or to assume or reduce credit exposure associated with a referenced asset, index, or pool. The Company also utilizes options and futures on equity indices to reduce and manage risks associated with its annuity products. Open derivative contracts are reported as either Other investments or Other liabilities, as appropriate, on the Consolidated Balance Sheets. Changes in the fair value of such

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derivatives are recorded in Net realized capital gains (losses) in the Consolidated Statements of Operations.

The Company also has investments in certain fixed maturity instruments, and has issued certain products with guarantees, that contain embedded derivatives whose market value is at least partially determined by, among other things, levels of or changes in domestic and/or foreign interest rates (short- or long-term), exchange rates, prepayment rates, equity markets, or credit ratings/spreads.

Embedded derivatives within fixed maturity instruments are included in Fixed maturities, available-for-sale, on the Consolidated Balance Sheets, and changes in fair value are recorded in Net realized capital gains (losses) in the Consolidated Statements of Operations.

Embedded derivatives within retail annuity products are included in Future policy benefits and claims reserves on the Consolidated Balance Sheets, and changes in the fair value are recorded in Interest credited and benefits to contractowners in the Consolidated Statements of Operations.

Deferred Policy Acquisition Costs and Value of Business Acquired

General

DAC represents policy acquisition costs that have been capitalized and are subject to amortization. Such costs consist principally of certain commissions, underwriting, contract issuance, and certain agency expenses, related to the production of new and renewal business.

VOBA represents the outstanding value of in force business capitalized in purchase accounting when the Company was acquired and is subject to amortization. The value is based on the present value of estimated net cash flows embedded in the Company's contracts.

FAS 97 applies to universal life and investment-type products, such as fixed and variable deferred annuities. Under FAS 97, DAC and VOBA are amortized, with interest, over the life of the related contracts in relation to the present value of estimated future gross profits from investment, mortality, and expense margins, plus surrender charges.

Internal Replacements

Contractowners may periodically exchange one contract for another, or make modifications to an existing contract. Beginning January 1, 2007, these transactions are identified as internal replacements and are accounted for in accordance with SOP 05-1.

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Internal replacements that are determined to result in substantially unchanged contracts are accounted for as continuations of the replaced contracts. Any costs associated with the issuance of the new contracts are considered maintenance costs and expensed as incurred. Unamortized DAC and VOBA related to the replaced contracts continue to be deferred and amortized in connection with the new contracts. For deferred annuities, the estimated future gross profits of the new contracts are treated as revisions to the estimated future gross profits of the replaced contracts in the determination of amortization.

Internal replacements that are determined to result in contracts that are substantially changed are accounted for as extinguishments of the replaced contracts, and any unamortized DAC and VOBA related to the replaced contracts are written off to Net amortization of deferred policy acquisition costs and value of business acquired in the Consolidated Statements of Operations.

Unlocking

Changes in assumptions can have a significant impact on DAC and VOBA balances and amortization rates. Several assumptions are considered significant in the estimation of future gross profits associated with variable deferred annuity products. One of the most significant assumptions involved in the estimation of future gross profits is the assumed return associated with the variable account performance. To reflect the volatility in the equity markets, this assumption involves a combination of near-term expectations and long-term assumptions regarding market performance. The overall return on the variable account is dependent on multiple factors, including the relative mix of the underlying sub-accounts among bond funds and equity funds, as well as equity sector weightings. Other significant assumptions include surrender and lapse rates, estimated interest spread, and estimated mortality.

Due to the relative size and sensitivity to minor changes in underlying assumptions of DAC and VOBA balances, the Company performs quarterly and annual analyses of DAC and VOBA. The DAC and VOBA balances are evaluated for recoverability.

At each evaluation date, actual historical gross profits are reflected, and estimated future gross profits and related assumptions are evaluated for continued reasonableness. Any adjustment in estimated future gross profits requires that the amortization rate be revised (“unlocking”), retroactively to the date of the policy or contract issuance. The cumulative unlocking adjustment is recognized as a component of current period amortization. In general, sustained increases in investment, mortality, and expense margins, and thus estimated future gross profits, lower the rate of amortization. Sustained decreases in investment, mortality, and expense margins, and thus estimated future gross profits, however, increase the rate of amortization.

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Property and Equipment

Property and equipment are carried at cost, less accumulated depreciation. Expenditures for replacements and major improvements are capitalized; maintenance and repair expenditures are expensed as incurred.

At December 31, 2008 and 2007, total accumulated depreciation and amortization was \$103.0 and \$120.7, respectively. Depreciation on property and equipment is provided on a straight-line basis over the estimated useful lives of the assets with the exception of land and artwork, which are not depreciated or amortized. The Company's property and equipment are depreciated using the following estimated useful lives.

| | <u>Estimated Useful Lives</u> |
|------------------------|----------------------------------------------------------|
| Buildings | 40 years |
| Furniture and fixtures | 5 years |
| Leasehold improvements | 10 years, or the life of the lease, whichever is shorter |
| Equipment | 3 years |
| Software | 3 years |

Reserves

The Company records as liabilities reserves to meet the Company's future obligations under its variable annuity and fixed annuity products.

Future policy benefits and claims reserves include reserves for deferred annuities and immediate annuities with and without life contingent payouts.

Reserves for individual and group deferred annuity investment contracts and individual immediate annuities without life contingent payouts are equal to cumulative deposits, less charges and withdrawals, plus credited interest thereon, net of adjustments for investment experience that the Company is entitled to reflect in future credited interest. Credited interest rates vary by product and ranged from 1.6% to 7.8% for the years 2008, 2007, and 2006. Certain reserves may also include net unrealized gains and losses related to investments and unamortized net realized gains and losses on investments for experience-rated contracts. Reserves on experienced-rated contracts reflect the rights of contractowners, plan participants, and the Company. During 2008, given the current economic environment, which resulted in significant net realized and unrealized losses, the Company did not include net unrealized and unamortized realized losses associated with experience-rated contracts in Future policy benefits and claims reserves. The net unrealized losses are reflected in Accumulated other comprehensive (loss) income, and the amortization of the unamortized realized losses have been recorded in Interest credited and other benefits to contractholders. Reserves for group immediate annuities without life contingent payouts are equal to the discount value of the payment at the implied break-even rate.

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Reserves for individual immediate annuities with life contingent payout benefits are computed on the basis of assumed interest discount rates, mortality, and expenses, including a margin for adverse deviations. Such assumptions generally vary by annuity type plan, year of issue, and policy duration. For the years 2008, 2007, and 2006, reserve interest rates ranged from 5.3% to 5.9%.

The Company records reserves for product guarantees, which can be either assets or liabilities, for annuity contracts containing guaranteed credited rates. The guarantee is treated as an embedded derivative or a stand-alone derivative (depending on the underlying product) and is required to be reported at fair value. The fair value of the obligation is calculated based on the income approach. The income associated with the contracts is projected using relevant actuarial and capital market assumptions, including benefits and related contract charges, over the anticipated life of the related contracts. The cash flow estimates are produced by using stochastic techniques under a variety of risk neutral scenarios and other best estimate assumptions. Explicit risk margins in the actuarial assumptions underlying valuations are included, as well as an explicit recognition of all nonperformance risks beginning January 1, 2008 with the adoption of FAS 157. Nonperformance risk for product guarantees contains adjustments to the fair values of these contract liabilities related to the current credit standing of ING and the Company based on credit default swaps with similar term to maturity and priority of payment. The ING credit default spread is applied to the discount factors for product guarantees in the Company's valuation model in order to incorporate credit risk into the fair values of these product guarantees.

The Company has a significant concentration of reinsurance arising from the disposition of its individual life insurance business. In 1998, the Company entered into an indemnity reinsurance arrangement with certain subsidiaries of Lincoln National Corporation ("Lincoln"). Effective March 1, 2007, the reinsurance agreements were assigned to a single subsidiary of Lincoln, and that subsidiary established a trust to secure its obligations to the Company under the reinsurance transaction. The Company includes an amount in Reinsurance recoverable on the Consolidated Balance Sheets, which equals the Company's total individual life reserves. Individual life reserves are included in Future policy benefits and claims reserves on the Consolidated Balance Sheets.

Unpaid claims and claim expenses for all lines of insurance include benefits for reported losses and estimates of benefits for losses incurred but not reported.

Certain variable annuities offer guaranteed minimum death benefits ("GMDB"). The GMDB is accrued in the event the contractowner account value at death is below the guaranteed value and is included in reserves.

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Revenue Recognition

For most annuity contracts, charges assessed against contractowner funds for the cost of insurance, surrenders, expenses, and other fees are recorded as revenue as charges are assessed. Other amounts received for these contracts are reflected as deposits and are not recorded as premiums or revenue. When annuity payments with life contingencies begin under contracts that were initially investment contracts, the accumulated balance in the account is treated as a single premium for the purchase of an annuity and reflected in both Premiums and Interest credited and other benefits to contractowners in the Consolidated Statements of Operations.

Premiums on the Consolidated Statements of Operations primarily represent amounts received for immediate annuities with life contingent payouts.

Separate Accounts

Separate account assets and liabilities generally represent funds maintained to meet specific investment objectives of contractowners who bear the investment risk, subject, in limited cases, to certain minimum guarantees. Investment income and investment gains and losses generally accrue directly to such contractowners. The assets of each account are legally segregated and are not subject to claims that arise out of any other business of the Company or its affiliates.

Separate account assets supporting variable options under variable annuity contracts are invested, as designated by the contractowner or participant (who bears the investment risk subject, in limited cases, to minimum guaranteed rates) under a contract, in shares of mutual funds that are managed by the Company or its affiliates, or in other selected mutual funds not managed by the Company or its affiliates.

Separate account assets and liabilities are carried at fair value and shown as separate captions in the Consolidated Balance Sheets. Deposits, investment income, and net realized and unrealized capital gains (losses) of the separate accounts, however, are not reflected in the Consolidated Statements of Operations (with the exception of realized and unrealized capital gains (losses) on the assets supporting the guaranteed interest option). The Consolidated Statements of Cash Flows do not reflect investment activity of the separate accounts.

Assets and liabilities of separate account arrangements that do not meet the criteria for separate presentation in the Consolidated Balance Sheets (primarily the guaranteed interest option), and revenue and expenses related to such arrangements, are consolidated in the financial statements with the general account. At December 31, 2008 and 2007, unrealized capital losses of \$53.2 and \$11.0, respectively, after taxes, on assets supporting a guaranteed interest option are reflected in Shareholder's equity.

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Reinsurance

The Company utilizes indemnity reinsurance agreements to reduce its exposure to losses from GMDBs in its annuity insurance business. Reinsurance permits recovery of a portion of losses from reinsurers, although it does not discharge the Company's primary liability as the direct insurer of the risks. The Company evaluates the financial strength of potential reinsurers and continually monitors the financial strength and credit ratings of its reinsurers. Only those reinsurance recoverable balances deemed probable of recovery are reflected as assets on the Company's Consolidated Balance Sheets.

Of the Reinsurance recoverable on the Consolidated Balance Sheets, \$2.5 billion and \$2.6 billion at December 31, 2008 and 2007, respectively, is related to the reinsurance recoverable from certain subsidiaries of Lincoln arising from the disposal of the Company's individual life insurance business in 1998 (see the Reinsurance footnote). Effective March 1, 2007, the reinsurance agreements were assigned to a single subsidiary of Lincoln, and that subsidiary established a trust to secure its obligations to the Company under the reinsurance transaction.

Income Taxes

The Company is taxed at regular corporate rates after adjusting income reported for financial statement purposes for certain items. Deferred income tax expenses/benefits result from changes during the year in cumulative temporary differences between the tax basis and book basis of assets and liabilities.

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2. Investments

Fixed Maturities and Equity Securities

Fixed maturities and equity securities, available-for-sale, were as follows as of December 31, 2008.

| | Amortized Cost | Gross Unrealized Capital Gains | Gross Unrealized Capital Losses | Fair Value |
|---------------------------------------------------|---------------------------|---------------------------------------------------|----------------------------------------------------|-----------------------|
| Fixed maturities: | | | | |
| U.S. Treasuries | \$ 1,391.4 | \$ 84.5 | \$ 0.9 | \$ 1,475.0 |
| U.S. government agencies and authorities | 797.1 | 77.2 | 1.2 | 873.1 |
| State, municipalities, and political subdivisions | 72.9 | 0.3 | 17.7 | 55.5 |
| U.S. corporate securities: | | | | |
| Public utilities | 1,112.4 | 4.4 | 117.6 | 999.2 |
| Other corporate securities | 3,986.2 | 85.6 | 436.6 | 3,635.2 |
| Total U.S. corporate securities | 5,098.6 | 90.0 | 554.2 | 4,634.4 |
| Foreign securities ⁽¹⁾ : | | | | |
| Government | 397.8 | 4.3 | 61.4 | 340.7 |
| Other | 2,188.5 | 27.0 | 274.0 | 1,941.5 |
| Total foreign securities | 2,586.3 | 31.3 | 335.4 | 2,282.2 |
| Residential mortgage-backed securities | 3,412.6 | 153.6 | 266.7 | 3,299.5 |
| Commercial mortgage-backed securities | 1,604.0 | 0.1 | 370.5 | 1,233.6 |
| Other asset-backed securities | 830.2 | 9.0 | 214.9 | 624.3 |
| Total fixed maturities, including | | | | |
| securities pledged | 15,793.1 | 446.0 | 1,761.5 | 14,477.6 |
| Less: securities pledged | 1,160.5 | 72.7 | 7.8 | 1,225.4 |
| Total fixed maturities | 14,632.6 | 373.3 | 1,753.7 | 13,252.2 |
| Equity securities | 247.7 | 1.0 | 8.4 | 240.3 |
| Total investments, available-for-sale | \$ 14,880.3 | \$ 374.3 | \$ 1,762.1 | \$ 13,492.5 |

⁽¹⁾ Primarily U.S. dollar denominated.

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Fixed maturities and equity securities, available-for-sale, were as follows as of December 31, 2007.

| | Amortized Cost | Gross Unrealized Capital Gains | Gross Unrealized Capital Losses | Fair Value |
|------------------------------------------------------|---------------------------|---------------------------------------------------|----------------------------------------------------|-----------------------|
| Fixed maturities: | | | | |
| U.S. Treasuries | \$ 11.2 | \$ 0.7 | \$ - | \$ 11.9 |
| U.S. government agencies and authorities | 0.6 | - | - | 0.6 |
| State, municipalities, and political subdivisions | 66.1 | 0.1 | 2.2 | 64.0 |
| U.S. corporate securities: | | | | |
| Public utilities | 1,049.1 | 10.8 | 15.6 | 1,044.3 |
| Other corporate securities | 3,855.1 | 46.1 | 65.2 | 3,836.0 |
| Total U.S. corporate securities | 4,904.2 | 56.9 | 80.8 | 4,880.3 |
| Foreign securities ⁽¹⁾ : | | | | |
| Government | 379.3 | 17.1 | 6.6 | 389.8 |
| Other | 1,955.8 | 29.9 | 40.3 | 1,945.4 |
| Total foreign securities | 2,335.1 | 47.0 | 46.9 | 2,335.2 |
| Residential mortgage-backed securities | 4,146.1 | 101.8 | 63.5 | 4,184.4 |
| Commercial mortgage-backed securities | 1,927.3 | 10.7 | 52.3 | 1,885.7 |
| Other asset-backed securities | 924.3 | 5.5 | 41.5 | 888.3 |
| Total fixed maturities, including securities pledged | 14,314.9 | 222.7 | 287.2 | 14,250.4 |
| Less: securities pledged | 940.2 | 8.0 | 14.1 | 934.1 |
| Total fixed maturities | 13,374.7 | 214.7 | 273.1 | 13,316.3 |
| Equity securities | 440.1 | 13.8 | 7.5 | 446.4 |
| Total investments, available-for-sale | \$ 13,814.8 | \$ 228.5 | \$ 280.6 | \$ 13,762.7 |

⁽¹⁾ Primarily U.S. dollar denominated.

At December 31, 2008 and 2007, net unrealized losses were \$1,322.9 and \$58.2, respectively, on total fixed maturities, including securities pledged to creditors, and equity securities. During 2008, as a result of the current economic environment, which resulted in significant losses on investments supporting experience-rated contracts, the Company reflected all unrealized losses in Shareholder's equity rather than Future policy benefits and claims reserves. At December 31, 2007, \$16.4 of net unrealized capital gains (losses) was related to experience-rated contracts and was not reflected in Shareholder's equity but in Future policy benefits and claim reserves.

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The amortized cost and fair value of total fixed maturities as of December 31, 2008, are shown below by contractual maturity. Actual maturities may differ from contractual maturities as securities may be restructured, called, or prepaid.

| | Amortized Cost | Fair Value |
|------------------------------------------------|---------------------------|-----------------------|
| Due to mature: | | |
| One year or less | \$ 273.3 | \$ 271.5 |
| After one year through five years | 3,751.8 | 3,576.2 |
| After five years through ten years | 3,546.6 | 3,344.4 |
| After ten years | 2,374.6 | 2,128.1 |
| Mortgage-backed securities | 5,016.6 | 4,533.1 |
| Other asset-backed securities | 830.2 | 624.3 |
| Less: securities pledged | 1,160.5 | 1,225.4 |
| Fixed maturities, excluding securities pledged | <u>\$ 14,632.6</u> | <u>\$ 13,252.2</u> |

The Company did not have any investments in a single issuer, other than obligations of the U.S. government and government agencies, with a carrying value in excess of 10% of the Company's Shareholder's equity at December 31, 2008 or 2007.

At December 31, 2008 and 2007, fixed maturities with fair values of \$14.2 and \$13.9, respectively, were on deposit as required by regulatory authorities.

The Company invests in various categories of collateralized mortgage obligations ("CMOs") that are subject to different degrees of risk from changes in interest rates and, for CMOs that are not agency-backed, defaults. The principal risks inherent in holding CMOs are prepayment and extension risks related to dramatic decreases and increases in interest rates resulting in the prepayment of principal from the underlying mortgages, either earlier or later than originally anticipated. At December 31, 2008 and 2007, approximately 13.0% and 11.3%, respectively, of the Company's CMO holdings were invested in those types of CMOs which are subject to more prepayment and extension risk than traditional CMOs, such as interest-only or principal-only strips.

Transfer of Alt-A RMBS Participation Interest

On January 26, 2009, ING announced it reached an agreement, for itself and on behalf of certain ING affiliates including the Company, with the Dutch State on an Illiquid Assets Back-up Facility (the "Back-up Facility") covering 80% of ING's Alt-A residential mortgage-backed securities ("Alt-A RMBS"). Under the terms of the Back-up Facility, a full credit risk transfer to the Dutch State will be realized on 80% of ING's Alt-A RMBS owned by ING Bank, FSB and ING affiliates within ING Insurance Americas with a book value of \$36.0 billion portfolio, including book value of \$775.1 of the Alt-A RMBS portfolio owned by the Company (with respect to the Company's portfolio, the "Designated Securities Portfolio") (the "ING-Dutch State Transaction"). As a result of the risk transfer, the Dutch State will participate in 80% of any results of the ING Alt-A RMBS portfolio. The risk transfer to the Dutch State will take place at a discount of approximately 10% of par value. In addition, under the Back-up Facility, other fees will

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be paid both by the Company and the Dutch State. Each ING company participating in the ING-Dutch State Transaction, including the Company will remain the legal owner of 100% of its Alt-A RMBS portfolio and will remain exposed to 20% of any results on the portfolio. Subject to documentation and regulatory approvals, the ING-Dutch State Transaction is expected to close by the end of March 2009, with the affiliate participation conveyance and risk transfer to the Dutch State described in the succeeding paragraph to take effect as of January 26, 2009.

In order to implement that portion of the ING-Dutch State Transaction related to the Company's Designated Securities Portfolio, the Company will enter into a participation agreement with its affiliates, ING Support Holding B.V. ("ING Support Holding") and ING pursuant to which the Company will convey to ING Support Holding an 80% participation interest in its Designated Securities Portfolio and pay a periodic transaction fee, and will receive, as consideration for the participation, an assignment by ING Support Holding of its right to receive payments from the Dutch State under the Illiquid Assets Back-Up Facility related to the Company's Designated Securities Portfolio among, ING, ING Support Holding and the Dutch State (the "Company Back-Up Facility"). Under the Company Back-Up Facility, the Dutch State will be obligated to pay certain periodic fees and make certain periodic payments with respect to the Company's Designated Securities Portfolio, and ING Support Holding will be obligated to pay a periodic guarantee fee and make periodic payments to the Dutch State equal to the distributions it receives with respect to the 80% participation interest in the Company's Designated Securities Portfolio.

In a second transaction, known as the Step 1 Cash Transfer, a portion of the Company's Alt-A RMBS which has a book value of \$4.2 will be sold for cash to an affiliate, Lion II Custom Investments LLC ("Lion II"). Immediately thereafter, Lion II will sell to ING Direct Bancorp the purchased securities (the "Step 2 Cash Transfer"). Contemporaneous with the Step 2 Cash Transfer, ING Direct Bancorp will include such purchased securities as part of its Alt-A RMBS portfolio sale to the Dutch State. Subject to documentation and regulatory approval, the Step 1 Cash Transfer is expected to close by the end of March 2009 contemporaneous with the closing of the ING-Dutch State Transaction.

Since the Company had the intent to sell a portion of its Alt-A RMBS through the 80% participation interest in its Designated Securities Portfolio or as part of the Step 1 Cash Transfer as of December 31, 2008, the Company recognized \$253.2 in other-than-temporary impairments with respect to the 80% participation interest in its Designated Securities Portfolio that it expects to convey as part of the ING-Dutch State Transaction and the Step 1 Cash Transfer. The Company expects to recognize a gain in the estimated range of \$220.0 to \$240.0 upon the closing of the ING-Dutch State Transaction and the Step 1 Cash Transfer.

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Equity Securities

Equity securities, available-for-sale, included investments with fair values of \$141.0 and \$279.5 in ING proprietary funds as of December 31, 2008 and 2007, respectively.

Repurchase Agreements

The Company engages in dollar repurchase agreements (“dollar rolls”) and repurchase agreements to increase its return on investments and improve liquidity. These transactions involve a sale of securities and an agreement to repurchase substantially the same securities as those sold. Company policies require a minimum of 95% of the fair value of securities pledged under dollar rolls and repurchase agreement transactions to be maintained as collateral. Cash collateral received is invested in fixed maturities, and the offsetting collateral liability is included in Borrowed money on the Consolidated Balance Sheets. At December 31, 2008 and 2007, the carrying value of the securities pledged in dollar rolls and repurchase agreement transactions was \$657.2 and \$757.6, respectively. The carrying value of the securities pledged in dollar rolls and repurchase agreement transactions is included in Securities pledged on the Consolidated Balance Sheets. The repurchase obligation related to dollar rolls and repurchase agreements totaled \$613.9 and \$734.8 at December 31, 2008 and 2007, respectively. The repurchase obligation related to dollar rolls and repurchase agreements is included in Borrowed money on the Consolidated Balance Sheets.

The Company also engages in reverse repurchase agreements. At December 31, 2008 and 2007, the Company did not have any reverse repurchase agreements.

The primary risk associated with short-term collateralized borrowings is that the counterparty will be unable to perform under the terms of the contract. The Company’s exposure is limited to the excess of the net replacement cost of the securities over the value of the short-term investments, an amount that was immaterial at December 31, 2008 and 2007. The Company believes the counterparties to the dollar rolls, repurchase, and reverse repurchase agreements are financially responsible and that the counterparty risk is minimal.

Securities Lending

The Company engages in securities lending whereby certain securities from its portfolio are loaned to other institutions for short periods of time. Initial collateral, primarily cash, is required at a rate of 102% of the market value of the loaned domestic securities. The collateral is deposited by the borrower with a lending agent, and retained and invested by the lending agent according to the Company’s guidelines to generate additional income. The market value of the loaned securities is monitored on a daily basis with additional collateral obtained or refunded as the market value of the loaned securities fluctuates. At December 31, 2008 and 2007, the fair value of loan securities was \$474.8 and \$176.5, respectively.

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Unrealized Capital Losses

Unrealized capital losses in fixed maturities at December 31, 2008 and 2007, were primarily related to the effects of interest rate movement or spread widening on mortgage and other asset-backed securities. Mortgage and other asset-backed securities include U.S. government-backed securities, principal protected securities, and structured securities, which did not have an adverse change in cash flows. The following table summarizes the unrealized capital losses by duration and reason, along with the fair value of fixed maturities, including securities pledged, in unrealized capital loss positions at December 31, 2008 and 2007.

| | Less than Six Months Below Amortized Cost | More than Six Months and less than Twelve Months Below Amortized Cost | More than Twelve Months Below Amortized Costs | Total Unrealized Capital Loss |
|-----------------------------------------------|----------------------------------------------------------|--------------------------------------------------------------------------------------|--------------------------------------------------------------|----------------------------------------|
| 2008 | | | | |
| Interest rate or spread widening | \$ 144.2 | \$ 381.7 | \$ 383.5 | \$ 909.4 |
| Mortgage and other asset-backed securities | 65.3 | 188.5 | 598.3 | 852.1 |
| Total unrealized capital losses | \$ 209.5 | \$ 570.2 | \$ 981.8 | \$ 1,761.5 |
| Fair value | \$ 2,999.6 | \$ 3,446.7 | \$ 2,964.2 | \$ 9,410.5 |

| | Less than Six Months Below Amortized Cost | More than Six Months and less than Twelve Months Below Amortized Cost | More than Twelve Months Below Amortized Costs | Total Unrealized Capital Loss |
|-----------------------------------------------|----------------------------------------------------------|--------------------------------------------------------------------------------------|--------------------------------------------------------------|----------------------------------------|
| 2007 | | | | |
| Interest rate or spread widening | \$ 18.8 | \$ 62.3 | \$ 48.8 | \$ 129.9 |
| Mortgage and other asset-backed securities | 30.1 | 69.0 | 58.2 | 157.3 |
| Total unrealized capital losses | \$ 48.9 | \$ 131.3 | \$ 107.0 | \$ 287.2 |
| Fair value | \$ 2,256.2 | \$ 2,217.7 | \$ 3,612.1 | \$ 8,086.0 |

Of the unrealized capital losses aged more than twelve months, the average market value of the related fixed maturities is 79.2% of the average book value. In addition, this category includes 1,243 securities, which have an average quality rating of AA-. No other-than-temporary impairment loss was considered necessary for these fixed maturities as of December 31, 2008. The value of the Company's fixed maturities declined \$534.2, before tax and DAC, from December 31, 2008 through February 28, 2009, due to further widening of credit spreads. This decline in fair value includes \$81.7 related to the Company's investments in commercial mortgage-backed securities.

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Other-Than-Temporary Impairments

The following table identifies the Company's other-than-temporary impairments by type for the years ended December 31, 2008, 2007, and 2006.

| | 2008 | | 2007 | | 2006 | |
|-------------------------------|------------|-------------------|------------|-------------------|------------|-------------------|
| | Impairment | No. of Securities | Impairment | No. of Securities | Impairment | No. of Securities |
| U.S. Treasuries | \$ - | - | \$ - | - | \$ 6.4 | 4 |
| U.S. corporate | 283.2 | 233 | 36.3 | 113 | 24.4 | 67 |
| Foreign | 108.9 | 94 | 19.1 | 54 | 4.2 | 10 |
| Residential mortgage-backed | 349.3 | 194 | 7.1 | 30 | 16.6 | 76 |
| Other asset-backed | 245.6 | 64 | 10.5 | 21 | 7.0 | 1 |
| Equity securities | 55.1 | 17 | - | - | 0.1 | 3 |
| Limited partnerships | 6.6 | 6 | 3.0 | 1 | - | - |
| Mortgage loans on real estate | 3.8 | 1 | - | - | - | - |
| Total | \$ 1,052.5 | 609 | \$ 76.0 | 219 | \$ 58.7 | 161 |

The above schedule includes \$235.8, \$16.4, and \$16.1 for the years ended December 31, 2008, 2007, and 2006, respectively, in other-than-temporary write-downs related to the analysis of credit-risk and the possibility of significant prepayment risk. The remaining \$816.7, \$59.6, and \$42.6 in write-downs for the years ended December 31, 2008, 2007, and 2006, respectively, are related to investments that the Company does not have the intent to retain for a period of time sufficient to allow for recovery in fair value.

The following table summarizes these write-downs recognized by type for the years ended December 31, 2008, 2007, and 2006.

| | 2008 | | 2007 | | 2006 | |
|-----------------------------|------------|-------------------|------------|-------------------|------------|-------------------|
| | Impairment | No. of Securities | Impairment | No. of Securities | Impairment | No. of Securities |
| U.S. Treasuries | \$ - | - | \$ - | - | \$ 6.4 | 4 |
| U.S. corporate | 204.5 | 180 | 31.6 | 102 | 24.4 | 67 |
| Foreign | 81.3 | 78 | 19.1 | 54 | 4.2 | 10 |
| Residential mortgage-backed | 291.8 | 128 | 2.6 | 2 | 0.6 | 1 |
| Other asset-backed | 239.1 | 43 | 6.3 | 16 | 7.0 | 1 |
| Total | \$ 816.7 | 429 | \$ 59.6 | 174 | \$ 42.6 | 83 |

The remaining fair value of the fixed maturities with other-than-temporary impairments at December 31, 2008, 2007, and 2006 was \$2,136.5, \$1,210.8, and \$704.4, respectively.

The Company may sell securities during the period in which fair value has declined below amortized cost for fixed maturities or cost for equity securities. In certain situations new factors, including changes in the business environment, can change the Company's previous intent to continue holding a security.

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Net Investment Income

Sources of Net investment income were as follows for the years ended December 31, 2008, 2007, and 2006.

| | 2008 | 2007 | 2006 |
|---------------------------------------------|-------------------|-------------------|-------------------|
| Fixed maturities, available-for-sale | \$ 1,020.6 | \$ 895.5 | \$ 969.0 |
| Equity securities, available-for-sale | (13.2) | 38.5 | 10.5 |
| Mortgage loans on real estate | 116.0 | 118.5 | 93.6 |
| Real estate | 9.0 | - | - |
| Policy loans | 14.2 | 14.1 | 13.2 |
| Short-term investments and cash equivalents | 4.5 | 2.2 | 2.4 |
| Other | 12.7 | 88.3 | 44.5 |
| Gross investment income | 1,163.8 | 1,157.1 | 1,133.2 |
| Less: investment expenses | 80.1 | 102.4 | 103.5 |
| Net investment income | <u>\$ 1,083.7</u> | <u>\$ 1,054.7</u> | <u>\$ 1,029.7</u> |

Net Realized Capital Gains (Losses)

Net realized capital gains (losses) are comprised of the difference between the amortized cost of investments and proceeds from sale and redemption, as well as losses incurred due to other-than-temporary impairment of investments and changes in fair value of derivatives. The cost of the investments on disposal is determined based on specific identification of securities. Net realized capital gains (losses) on investments were as follows for the years ended December 31, 2008, 2007, and 2006.

| | 2008 | 2007 | 2006 |
|------------------------------------------------|-------------------|------------------|---------------|
| Fixed maturities, available-for-sale | \$ (990.8) | \$ (50.3) | \$ (67.0) |
| Equity securities, available-for-sale | (81.0) | 6.4 | 9.3 |
| Derivatives | (187.0) | (123.0) | (3.9) |
| Other | (18.7) | (2.6) | - |
| Less: allocation to experience-rated contracts | 624.4 | 141.9 | (64.6) |
| Net realized capital (loss) gains | <u>\$ (653.1)</u> | <u>\$ (27.6)</u> | <u>\$ 3.0</u> |
| After-tax net realized capital (loss) gains | <u>\$ (424.5)</u> | <u>\$ (17.9)</u> | <u>\$ 2.0</u> |

The increase in Net realized capital losses for the year ended December 31, 2008, was primarily due to higher credit and intent related impairments of fixed maturities driven by the widening of credit spreads. In addition, the Company experienced losses on equity securities mainly due to the poor market performance and losses on interest rate swaps due to lower LIBOR rates in 2008.

Net realized capital gains (losses) allocated to experience-rated contracts are deducted from Net realized capital gains (losses) and an offsetting amount was reflected in Future policy benefits and claim reserves on the Consolidated Balance Sheets. During 2008, as a result of the current economic environment, which resulted in significant realized losses associated with experience-rated contracts, the Company accelerated amortization of

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realized losses rather than reflect those losses in Future policy benefits and claims reserves. During 2008, the Company fully amortized \$624.4 of net unamortized realized capital losses allocated to experience-rated contractowners, which are reflected in Interest credited and other benefits to contractowners in the Consolidated Statements of Operations. Net unamortized realized capital gains allocated to experienced-rated contractowners were \$53.8 and \$164.5 at December 31, 2007 and 2006, respectively, and were reflected in Future policy benefits and claims reserves.

Proceeds from the sale of fixed maturities and equity securities, available-for-sale, and the related gross realized gains and losses, excluding those related to experience-related contracts, as appropriate, were as follows for the years ended December 31, 2008, 2007, and 2006.

| | 2008 | 2007 | 2006 |
|-------------------|-------------|------------|------------|
| Proceeds on sales | \$ 12,649.0 | \$ 5,738.8 | \$ 6,481.2 |
| Gross gains | 120.0 | 66.4 | 109.0 |
| Gross losses | (234.4) | (101.2) | 110.9 |

3. Financial Instruments

Fair Value Measurements

FAS 157 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and enhances disclosure requirements for fair value measurements.

Fair Value Hierarchy

The Company has categorized its financial instruments into a three level hierarchy based on the priority of the inputs to the valuation technique.

The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure fair value fall within different levels of the hierarchy, the category level is based on the lowest priority level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded at fair value on the Consolidated Balance Sheets are categorized as follows:

- Level 1 - Unadjusted quoted prices for identical assets or liabilities in an active market.
- Level 2 - Quoted prices in markets that are not active or inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:

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- a) Quoted prices for similar assets or liabilities in active markets;
 - b) Quoted prices for identical or similar assets or liabilities in non-active markets;
 - c) Inputs other than quoted market prices that are observable; and
 - d) Inputs that are derived principally from or corroborated by observable market data through correlation or other means.
- Level 3 - Prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These valuations, whether derived internally or obtained from a third party, use critical assumptions that are not widely available to estimate market participant expectations in valuing the asset or liability.

The following table presents the Company's hierarchy for its assets and liabilities measured at fair value on a recurring basis as of December 31, 2008.

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3⁽¹⁾</u> | <u>Total</u> |
|---------------------------------------------------------------------------------------------------------------|--------------------|--------------------|------------------------------|--------------------|
| Assets: | | | | |
| Fixed maturities, available-for-sale, including securities pledged | \$ 1,481.7 | \$ 10,704.3 | \$ 2,291.6 | \$ 14,477.6 |
| Equity securities, available-for-sale | 240.3 | - | - | 240.3 |
| Other investments (primarily derivatives) | - | 235.2 | - | 235.2 |
| Cash and cash equivalents, short-term investments, and short-term investments under securities loan agreement | 729.3 | - | - | 729.3 |
| Assets held in separate accounts | 30,547.6 | 5,380.1 | - | 35,927.7 |
| Total | <u>\$ 32,998.9</u> | <u>\$ 16,319.6</u> | <u>\$ 2,291.6</u> | <u>\$ 51,610.1</u> |
| Liabilities: | | | | |
| Product guarantees | \$ - | \$ - | \$ 220.0 | \$ 220.0 |
| Other liabilities (primarily derivatives) | - | 470.5 | 73.6 | 544.1 |
| Total | <u>\$ -</u> | <u>\$ 470.5</u> | <u>\$ 293.6</u> | <u>\$ 764.1</u> |

⁽¹⁾ Level 3 net assets and liabilities accounted for 3.9% of total net assets and liabilities measured at fair value on a recurring basis. Excluding separate accounts assets for which the policyholder bears the risk, the Level 3 net assets and liabilities in relation to total net assets and liabilities measured at fair value on a recurring basis totaled 13.4%.

Valuation of Financial Assets and Liabilities

The Company utilizes a number of valuation methodologies to determine the fair values of its financial assets and liabilities in conformity with the concepts of "exit price" and the fair value hierarchy as prescribed in FAS 157. Valuations are obtained from third party commercial pricing services, brokers and industry-standard, vendor-provided software that models the value based on market observable inputs. The valuations obtained from the brokers are non-binding. The valuations are reviewed and validated monthly through comparisons to internal pricing models, back testing to recent trades, and monitoring of trading volumes.

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All valuation methods and assumptions are validated at least quarterly to ensure the accuracy and relevance of the fair values. There were no material changes to the valuation methods or assumptions used to determine fair values.

The following valuation methods and assumptions were used by the Company in estimating the fair value of the following financial instruments:

Fixed maturities, available-for-sale: The fair values for the actively traded marketable bonds are determined based upon the quoted market prices or dealer quotes and are classified as Level 1 assets. The fair values for marketable bonds without an active market, excluding subprime and Alt-A mortgage-backed securities, are obtained through several commercial pricing services, which provide the estimated fair values, and are classified as Level 2 assets. These services incorporate a variety of market observable information in their valuation techniques, including benchmark yields, broker-dealer quotes, credit quality, issuer spreads, bids, offers and other reference data. Valuations obtained from third party commercial pricing services are non-binding and are validated monthly through comparisons to internal pricing models, back testing to recent trades, and monitoring of trading volumes.

Fair values of privately placed bonds are determined using a matrix-based pricing model and are classified as Level 2 assets. The model considers the current level of risk-free interest rates, current corporate spreads, the credit quality of the issuer, and cash flow characteristics of the security. Also considered are factors such as the net worth of the borrower, the value of collateral, the capital structure of the borrower, the presence of guarantees, and the Company's evaluation of the borrower's ability to compete in their relevant market. Using this data, the model generates estimated market values, which the Company considers reflective of the fair value of each privately placed bond.

The fair values for certain collateralized mortgage obligations ("CMO-Bs") are determined by taking the average of broker quotes when more than one broker quote is provided. A few of the CMO-Bs are priced by the originating broker due to the complexity and unique characteristics of the asset. Due to the lack of corroborating evidence to support a higher level, these bonds are classified as Level 3 assets.

Trading activity for the Company's Residential Mortgage-backed Securities ("RMBS"), particularly subprime and Alt-A mortgage-backed securities, has been declining during 2008 as a result of the dislocation of the credit markets. During 2008, the Company continued to obtain pricing information from commercial pricing services and brokers. However, the pricing for subprime and Alt-A mortgage-backed securities did not represent regularly occurring market transactions since the trading activity declined significantly in the second half of 2008. As a result, the Company concluded in the second half of 2008 that the market for subprime and Alt-A mortgage-backed securities was inactive. The Company did not change its valuation procedures, which are consistent with those used for Level 2 marketable bonds without an active market, as a result of determining that the market was inactive. However, the Company determined that the

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classification within the valuation hierarchy should be transferred to Level 3 due to market inactivity.

At December 31, 2008, the fixed maturities valued using unadjusted broker quotes totaled \$9,069.0.

Equity securities, available-for-sale: Fair values of these securities are based upon quoted market price and are classified as Level 1 assets.

Cash and cash equivalents, Short-term investments, and Short-term investments under securities loan agreement: The carrying amounts for cash reflect the assets' fair values. The fair values for cash equivalents and short-term investments are determined based on quoted market prices. These assets are classified as Level 1.

Assets held in separate accounts: Assets held in separate accounts are reported at the quoted fair values of the underlying investments in the separate accounts. Mutual funds, short-term investments and cash are based upon a quoted market price and are included in Level 1. Bond valuations are obtained from third party commercial pricing services and brokers and are included in Level 2. The valuations obtained from brokers are non-binding. Valuations are validated monthly through comparisons to internal pricing models, back testing to recent trades, and monitoring of trading volumes.

Other financial instruments reported as assets and liabilities: The carrying amounts for these financial instruments (primarily derivatives) reflect the fair value of the assets and liabilities. Derivatives are carried at fair value (on the Consolidated Balance Sheets), which is determined using the Company's derivative accounting system in conjunction with observable key financial data from third party sources or through values established by third party brokers. Counterparty credit risk is considered and incorporated in the Company's valuation process through counterparty credit rating requirements and monitoring of overall exposure. It is the Company's policy to deal only with investment grade counterparties with a credit rating of A- or better. These assets and liabilities are classified as Level 2.

Product guarantees: The Company records reserves for product guarantees, which can be either assets or liabilities, for annuity contracts containing guaranteed credited rates in accordance with FAS 133. The guarantee is treated as an embedded derivative or a stand-alone derivative (depending on the underlying product) and is required to be reported at fair value. The fair value of the obligation is calculated based on the income approach as described in FAS 157. The income associated with the contracts is projected using relevant actuarial and capital market assumptions, including benefits and related contract charges, over the anticipated life of the related contracts. The cash flow estimates are produced by using stochastic techniques under a variety of risk neutral scenarios and other best estimate assumptions. Explicit risk margins in the actuarial assumptions underlying valuations are included, as well as an explicit recognition of all nonperformance risks as required by FAS 157. Nonperformance risk for product guarantees contains adjustments to the fair values of these contract liabilities related to

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the current credit standing of ING and the Company based on credit default swaps with similar term to maturity and priority of payment. The ING credit default spread is applied to the discount factors for product guarantees in the Company's valuation model in order to incorporate credit risk into the fair values of these product guarantees. As of December 31, 2008, the credit ratings of ING and the Company changed in relation to prior periods, which resulted in substantial changes in the valuation of the reserves for product guarantees.

The following disclosures are made in accordance with the requirements of FAS No. 107, "Disclosures about Fair Value of Financial Instruments" ("FAS 107"). FAS 107 requires disclosure of fair value information about financial instruments, whether or not recognized in the balance sheet, for which it is practicable to estimate that value. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. In that regard, the derived fair value estimates, in many cases, could not be realized in immediate settlement of the instrument.

FAS 107 excludes certain financial instruments, including insurance contracts, and all nonfinancial instruments from its disclosure requirements. Accordingly, the aggregate fair value amounts presented do not represent the underlying value of the Company.

The following valuation methods and assumptions were used by the Company in estimating the fair value of the following financial instruments:

Mortgage loans on real estate: The fair values for mortgage loans on real estate are estimated using discounted cash flow analyses and rates currently being offered in the marketplace for similar loans to borrowers with similar credit ratings. Loans with similar characteristics are aggregated for purposes of the calculations.

Policy loans: The fair value of policy loans is equal to the carrying, or cash surrender, value of the loans. Policy loans are fully collateralized by the account value of the associated insurance contracts.

Investment contract liabilities (included in Future policy benefits and claim reserves):

With a fixed maturity: Fair value is estimated by discounting cash flows at interest rates currently being offered by, or available to, the Company for similar contracts.

Without a fixed maturity: Fair value is estimated as the amount payable to the contractowner upon demand. However, the Company has the right under such contracts to delay payment of withdrawals, which may ultimately result in paying an amount different than that determined to be payable on demand.

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The carrying values and estimated fair values of certain of the Company's financial instruments were as follows at December 31, 2008 and 2007.

| | 2008 | | 2007 | |
|------------------------------------------------------------------------------------------------------------|----------------|-------------|----------------|-------------|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| Assets: | | | | |
| Fixed maturities, available-for-sale, including securities pledged | \$ 14,477.6 | \$ 14,477.6 | \$ 14,250.4 | \$ 14,250.4 |
| Equity securities, available-for-sale | 240.3 | 240.3 | 446.4 | 446.4 |
| Mortgage loans on real estate | 2,107.8 | 2,027.9 | 2,089.4 | 2,099.3 |
| Policy loans | 267.8 | 267.8 | 273.4 | 273.4 |
| Cash, cash equivalents, short-term investments, and short-term investments under securities loan agreement | 729.3 | 729.3 | 622.9 | 622.9 |
| Other investments | 749.1 | 749.1 | 670.9 | 670.9 |
| Assets held in separate accounts | 35,927.7 | 35,927.7 | 48,091.2 | 48,091.2 |
| Liabilities: | | | | |
| Investment contract liabilities: | | | | |
| With a fixed maturity | 1,529.4 | 1,610.6 | 1,251.1 | 1,308.7 |
| Without a fixed maturity | 15,611.8 | 17,237.9 | 13,421.9 | 13,379.1 |
| Derivatives | 544.1 | 544.1 | 200.3 | 200.3 |

Fair value estimates are made at a specific point in time, based on available market information and judgments about various financial instruments, such as estimates of timing and amounts of future cash flows. Such estimates do not reflect any premium or discount that could result from offering for sale at one time the Company's entire holdings of a particular financial instrument, nor do they consider the tax impact of the realization of unrealized capital gains (losses). In many cases, the fair value estimates cannot be substantiated by comparison to independent markets, nor can the disclosed value be realized in immediate settlement of the instruments. In evaluating the Company's management of interest rate, price, and liquidity risks, the fair values of all assets and liabilities should be taken into consideration, not only those presented above.

Level 3 Financial Instruments

The fair values of certain assets and liabilities are determined using prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement (i.e., Level 3 as defined by FAS 157). These valuations, whether derived internally or obtained from a third party, use critical assumptions that are not widely available to estimate market participant expectations in valuing the asset or liability. In light of the methodologies employed to obtain the fair value of financial assets and liabilities classified as Level 3, additional information is presented below, with particular attention addressed to the reserves for product guarantees due to the impact on the Company's results of operations.

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The following table summarizes the change in fair value of the Company's Level 3 assets and liabilities for the year ended December 31, 2008.

| | Fixed Maturities | Derivatives | Product Guarantees |
|------------------------------------------------------|-----------------------------|--------------------|-------------------------------|
| Balance at January 1, 2008 | \$ 1,737.6 | \$ - | \$ (76.4) |
| Capital gains (losses): | | | |
| Net realized capital gains (losses) | (72.6) ⁽¹⁾ | (29.3) | (139.6) ⁽³⁾ |
| Net unrealized capital (losses) gains ⁽²⁾ | 71.8 | - | - |
| Total net realized and unrealized capital losses | (0.8) | (29.3) | (139.6) |
| Purchases, sales, issuances, and settlements, net | (171.7) | 21.5 | (4.0) |
| Transfer in (out) of Level 3 | 726.5 | (65.8) | - |
| Balance at December 31, 2008 | <u>\$ 2,291.6</u> | <u>\$ (73.6)</u> | <u>\$ (220.0)</u> |

⁽¹⁾ This amount is included in Net realized capital gains (losses) on the Consolidated Statements of Operations.

⁽²⁾ The amounts in this line are included in Accumulated other comprehensive income (loss) on the Consolidated Balance Sheets.

⁽³⁾ This amount is included in Interest credited and other benefits to contractowners on the Consolidated Statements of Operations. All gains and losses on Level 3 liabilities are classified as realized gains (losses) for the purpose of this disclosure because it is impracticable to track realized and unrealized gains (losses) separately on a contract-by-contract basis.

For the year ended December 31, 2008, the value of the liability increased due to increased credit spreads, increased interest rate volatility and decreased interest rates. As of December 31, 2008, the net realized gains attributable to credit risk were \$107.9. The unrealized capital losses on fixed maturities were driven by the widening of credit spreads.

During 2008, the Company determined that the classification within the valuation hierarchy related to the subprime and Alt-A mortgage-backed securities within the RMBS portfolio should be changed due to market inactivity. This change is presented as transfers into Level 3 in the table above and discussed in more detail in the previous disclosure regarding RMBS.

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Derivative Financial Instruments

| | Notional Amount | | Fair Value | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|-------------|-------------------|-------------|
| | 2008 | 2007 | 2008 | 2007 |
| <i>Interest Rate Swaps</i> | | | | |
| Interest rate swaps are used to manage the interest rate risk in the Company's fixed maturities portfolio, as well as the Company's liabilities. Interest rate swaps represent contracts that require the exchange of cash flows at regular interim periods, typically monthly or quarterly. | 7,207.2 | 7,680.0 | \$ (232.0) | \$ (111.6) |
| <i>Foreign Exchange Swaps</i> | | | | |
| Foreign exchange swaps are used to reduce the risk of a change in the value, yield, or cash flow with respect to invested assets. Foreign exchange swaps represent contracts that require the exchange of foreign currency cash flows for U.S. dollar cash flows at regular interim periods, typically quarterly or semi-annually. | 199.5 | 224.5 | (18.6) | (45.3) |
| <i>Credit Default Swaps</i> | | | | |
| Credit default swaps are used to reduce the credit loss exposure with respect to certain assets that the Company owns, or to assume credit exposure to certain assets that the Company does not own. Payments are made to or received from the counterparty at specified intervals and amounts for the purchase or sale of credit protection. In the event of a default on the underlying credit exposure, the Company will either receive an additional payment (purchased credit protection) or will be required to make an additional payment (sold credit protection) equal to the notional value of the swap contract. | 341.1 | 335.9 | (58.9) | (8.8) |
| <i>Forwards</i> | | | | |
| Forwards are acquired to hedge the Company's inverse portfolio against movements in interest rates, particularly mortgage rates. On the settlement date, the Company will either receive a payment (interest rate drops on owned forwards or interest rate rises on purchased forwards) or will be required to make a payment (interest rate rises on owned forwards or interest rate drops on purchased forwards). | 263.0 | - | 3.3 | - |

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| | Notional Amount | | Fair Value | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-------|------------|--------|
| | 2008 | 2007 | 2008 | 2007 |
| Swaptions | | | | |
| Swaptions are used to manage interest rate risk in the Company's collateralized mortgage obligation portfolio. Swaptions are contracts that give the Company the option to enter into an interest rate swap at a specific future date. | | | | |
| | 2,521.5 | 542.3 | \$ 5.1 | \$ 0.2 |
| Futures | | | | |
| Futures contracts are used to hedge against a decrease in certain equity indices. Such decrease may result in a decrease in variable annuity account values, which would increase the possibility of the Company incurring an expense for guaranteed benefits in excess of account values. A decrease in variable annuity account values would also result in lower fee income. A decrease in equity markets may also negatively impact the Company's investment in equity securities. The futures income would serve to offset these effects. Futures contracts are also used to hedge against an increase in certain equity indices. Such increase may result in increased payments to contract holders of fixed indexed annuity contracts, and the futures income would serve to offset this increased expense. The underlying reserve liabilities are valued under FAS 133 and FAS 157 (see discussion under "Reserves" section) and the change in reserve liability is recorded in Interest credited and other benefits to contractowners. The gain or loss on futures is recorded in Net realized capital gains (losses). | | | | |
| | 580.6 | - | (7.8) | - |
| Embedded Derivatives | | | | |
| The Company also has investments in certain fixed maturity instruments, and has issued certain retail annuity products, that contain embedded derivatives whose market value is at least partially determined by, among other things, levels of or changes in domestic and/or foreign interest rates (short- or long-term), exchange rates, prepayment rates, equity rates, or credit ratings/spreads. | | | | |
| Within securities | N/A* | N/A* | 123.7 | 40.8 |
| Within annuity products | N/A* | N/A* | 180.0 | 78.1 |

* N/A - not applicable.

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Credit Default Swaps

The Company has entered into various credit default swaps to assume credit exposure to certain assets that the Company does not own. Credit default swaps involve a transfer of credit risk from one party to another in exchange for periodic payments. These instruments are typically written for a maturity period of five years and do not contain recourse provisions, which would enable the seller to recover from third parties. The Company's collateral positions are tracked by the International Swaps and Derivatives Associations, Inc. ("ISDA"). To the extent cash collateral was received, it was included in the Collateral held, including payables under securities loan agreement on the Balance Sheets and was reinvested in short-term investments. The source of non-cash collateral posted was investment grade bonds of the entity. Collateral held is used in accordance with the Credit Support Annex ("CSA") to satisfy any obligations. In the event of a default on the underlying credit exposure, the Company will either receive an additional payment (purchased credit protection) or will be required to make an additional payment (sold credit protection) equal to the notional value of the swap contract. At December 31, 2008, the fair value of credit default swaps of \$16.1 and \$75.0 was included in Other investments and Other liabilities, respectively, on the Consolidated Balance Sheets. As of December 2008, the maximum potential future exposure to the Company on the sale of credit protection under credit default swaps was \$161.0.

Embedded Derivative in Credit-Linked Note

The Company owns a 3-year credit-linked note arrangement, whereby the Company agrees to reimburse the guaranteed party upon payment default of the referenced obligation. Upon such default, the Company reimburses the guaranteed party for the loss under the reference obligation, and the Company receives that reference obligation in settlement. The Company can then seek recovery of any losses under the agreement by sale or collection of the received reference obligation. As of December 31, 2008, the maximum potential future exposure to the Company under the guarantee was \$30.0.

Variable Interest Entities

The Company holds VIEs for investment purposes in the form of private placement securities, structured securities, securitization transactions, and limited partnerships. Consolidation of these investments in the Company's financial statements is not required, as the Company is not the primary beneficiary for any of these VIEs. Rather, the VIEs are accounted for using the cost or equity method of accounting. Investments in limited partnerships are included in Limited partnerships/corporations on the Consolidated Balance Sheets.

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4. Deferred Policy Acquisition Costs and Value of Business Acquired

Activity within DAC was as follows for the years ended December 31, 2008, 2007, and 2006.

| | | |
|------------------------------------------------------------------------------|----|--------------|
| Balance at January 1, 2006 | \$ | 511.4 |
| Deferrals of commissions and expenses | | 136.0 |
| Amortization: | | |
| Amortization | | (62.1) |
| Interest accrued at 6% to 7% | | 37.5 |
| Net amortization included in the Consolidated Statements of Operations | | (24.6) |
| Change in unrealized capital gains (losses) on available-for-sale securities | | (0.2) |
| Balance at December 31, 2006 | | 622.6 |
| Deferrals of commissions and expenses | | 147.1 |
| Amortization: | | |
| Amortization | | (80.9) |
| Interest accrued at 5% to 7% | | 44.8 |
| Net amortization included in the Consolidated Statements of Operations | | (36.1) |
| Change in unrealized capital gains (losses) on available-for-sale securities | | 1.0 |
| Implementation of SOP 05-1 | | (6.0) |
| Balance at December 31, 2007 | | 728.6 |
| Deferrals of commissions and expenses | | 168.7 |
| Amortization: | | |
| Amortization | | (112.5) |
| Interest accrued at 5% to 7% | | 50.6 |
| Net amortization included in the Consolidated Statements of Operations | | (61.9) |
| Change in unrealized capital gains (losses) on available-for-sale securities | | 30.1 |
| Balance at December 31, 2008 | \$ | <u>865.5</u> |

The estimated amount of DAC to be amortized, net of interest, is \$50.8, \$59.0, \$61.7, \$59.6, and \$58.5, for the years 2009, 2010, 2011, 2012 and 2013, respectively. Actual amortization incurred during these years may vary as assumptions are modified to incorporate actual results.

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Activity within VOBA was as follows for the years ended December 31, 2008, 2007, and 2006.

| | |
|------------------------------------------------------------------------------|------------|
| Balance at January 1, 2006 | \$ 1,291.7 |
| Deferrals of commissions and expenses | 46.2 |
| Amortization: | |
| Amortization | (82.4) |
| Interest accrued at 5% to 7% | 85.7 |
| Net amortization included in the Consolidated Statements of Operations | 3.3 |
| Change in unrealized capital gains (losses) on available-for-sale securities | (1.0) |
| Balance at December 31, 2006 | 1,340.2 |
| Deferrals of commissions and expenses | 40.5 |
| Amortization: | |
| Amortization | (177.3) |
| Interest accrued at 5% to 7% | 84.2 |
| Net amortization included in the Consolidated Statements of Operations | (93.1) |
| Change in unrealized capital gains (losses) on available-for-sale securities | 2.9 |
| Implementation of SOP 05-1 | (37.3) |
| Balance at December 31, 2007 | 1,253.2 |
| Deferrals of commissions and expenses | 33.3 |
| Amortization: | |
| Amortization | (144.2) |
| Interest accrued at 5% to 7% | 77.2 |
| Net amortization included in the Consolidated Statements of Operations | (67.0) |
| Change in unrealized capital gains (losses) on available-for-sale securities | 613.0 |
| Balance at December 31, 2008 | \$ 1,832.5 |

The estimated amount of VOBA to be amortized, net of interest, is \$59.9, \$69.9, \$75.7, \$73.7, and \$71.8, for the years 2009, 2010, 2011, 2012 and 2013, respectively. Actual amortization incurred during these years may vary as assumptions are modified to incorporate actual results.

Analysis of DAC and VOBA

The increase in Net amortization of DAC and VOBA for the year ended December 31, 2008, was primarily driven by unfavorable unlocking of \$63.0 resulting from unfavorable equity market performance and the revisions of certain assumptions used in the estimation of gross profits. The increase in Net amortization of DAC and VOBA for the year ended December 31, 2007, was primarily driven by unfavorable unlocking of \$131.3 attributable to an increase in actual gross profits related to higher fee income and fixed margins in 2007.

The decrease in Net amortization of DAC and VOBA in 2006 is primarily driven by favorable unlocking of \$83.3, resulting from the refinements of the Company's estimates of persistency, expenses and other assumptions. In addition, the decrease in amortization reflects lower actual gross profits, primarily due to a legal settlement incurred in 2006.

5. Dividend Restrictions and Shareholder's Equity

ILIAC's ability to pay dividends to its parent is subject to the prior approval of insurance regulatory authorities of the State of Connecticut for payment of any dividend, which, when combined with other dividends paid within the preceding 12 months, exceeds the greater of (1) ten percent (10%) of ILIAC's statutory surplus at the prior year end or (2) ILIAC's prior year statutory net gain from operations.

During 2008, ILIAC did not pay any dividends to its Parent. During 2007 and 2006, ILIAC paid \$145.0, and \$256.0, respectively, in dividends on its common stock to its Parent.

During 2006, Lion contributed to ILIAC, DSI, which had \$50.5 in equity on the date of contribution and was accounted for in a manner similar to a pooling-of-interests. During 2008, 2007, and 2006, ILIAC did not receive any cash capital contributions from its Parent.

On November 12, 2008, ING issued to the Dutch State non-voting Tier 1 securities for a total consideration of Euro 10 billion. On February 24, 2009, \$2.2 billion was contributed to direct and indirect insurance company subsidiaries of ING America Insurance Holdings, Inc. ("ING AIH"), of which \$365.0 was contributed to the Company. The contribution was comprised of the proceeds from the investment by the Dutch government and the redistribution of currently existing capital within ING.

The State of Connecticut Insurance Department (the "Department") recognizes as net income and capital and surplus those amounts determined in conformity with statutory accounting practices prescribed or permitted by the Department, which differ in certain respects from accounting principles generally accepted in the United States. Statutory net (loss) income was \$(428.4), \$245.5, and \$138.3, for the years ended December 31, 2008, 2007, and 2006, respectively. Statutory capital and surplus was \$1,524.6 and \$1,388.0 as of December 31, 2008 and 2007, respectively. As specifically permitted by statutory accounting policies, statutory surplus as of December 31, 2008 included the impact of the \$365.0 capital contribution received on February 24, 2009.

During 2008, the Company received a permitted practice regarding deferred income taxes, which modified the accounting prescribed by the National Association of Insurance Commissioners by increasing the realization period for deferred tax assets from one year to three years and increasing the asset recognition limit from 10% to 15% of adjusted statutory capital and surplus. This permitted practice expires on December 15, 2009. This permitted practice increased admitted assets and statutory surplus by \$58.4 for the year ended December 31, 2008. The benefits of this permitted practice may not be considered by the Company when determining surplus available for dividends.

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The Department also has the ability to revise certain reserving requirements at its discretion. Due to the financial crisis and related federal government interest rate actions, the Department provided the Company and other domestic life insurers the opportunity to elect to use a formula for the discount rate for statutory reserve and reserve related calculations that resulted in the discount rate being floored at 3.25% for December 31, 2008; the formula stipulated by the Department was such that the discount rate was to equal the greater of 3.25% or 105% of the otherwise applicable spot rate; this reserve relief reduces statutory reserves and increases surplus by approximately \$700.0. This reserve relief is available for the period from December 31, 2008 through September 30, 2009 and is not a permitted practice. The Company also discloses that, as in prior years, its asset adequacy analysis associated with these reserves is favorable.

6. Additional Insurance Benefits and Minimum Guarantees

The Company calculates an additional liability for certain GMDBs and other minimum guarantees in order to recognize the expected value of these benefits in excess of the projected account balance over the accumulation period based on total expected assessments.

The Company regularly evaluates estimates used to adjust the additional liability balance, with a related charge or credit to benefit expense, if actual experience or other evidence suggests that earlier assumptions should be revised.

As of December 31, 2008, the separate account liability for guaranteed minimum benefits and the additional liability recognized related to minimum guarantees were \$6.5 billion and \$181.2, respectively. As of December 31, 2007, the separate account liability for guaranteed minimum benefits and the additional liability recognized related to minimum guarantees were \$7.1 billion and \$80.4, respectively.

The aggregate fair value of equity securities, including mutual funds, supporting separate accounts with additional insurance benefits and minimum investment return guarantees as of December 31, 2008 and 2007, was \$6.5 billion and \$7.1 billion, respectively.

7. Income Taxes

Effective January 1, 2006, ILIAC files a consolidated federal income tax return with ING AIH and certain other subsidiaries of ING AIH that are eligible corporations qualified to file consolidated federal income tax returns as part of the ING AIH affiliated group. Effective January 1, 2006, ILIAC is party to a federal tax allocation agreement with ING AIH and its subsidiaries that are part of the group whereby ING AIH charges its subsidiaries for federal taxes each subsidiary would have incurred were it not a member of the consolidated group and credits each subsidiary for losses at the statutory federal tax rate.

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| | 2008 | 2007 | 2006 |
|-------------------------------------|-------------------|----------------|-----------------|
| Current tax expense (benefit): | | | |
| Federal | \$ (121.8) | \$ 28.6 | \$ 23.3 |
| State | (18.1) | (9.0) | 20.0 |
| Total current tax (benefit) expense | (139.9) | 19.6 | 43.3 |
| Deferred tax expense: | | | |
| Federal | 31.6 | 36.4 | 79.4 |
| Total deferred tax expense | 31.6 | 36.4 | 79.4 |
| Total income tax (benefit) expense | <u>\$ (108.3)</u> | <u>\$ 56.0</u> | <u>\$ 122.7</u> |

Income taxes were different from the amount computed by applying the federal income tax rate to income before income taxes for the following reasons for the years ended December 31, 2008, 2007 and 2006:

| | 2008 | 2007 | 2006 |
|--------------------------------------------------------|-------------------|----------------|-----------------|
| (Loss) income before income taxes | \$ (1,138.5) | \$ 274.4 | \$ 424.5 |
| Tax rate | 35.0% | 35.0% | 35.0% |
| Income tax (benefit) expense at federal statutory rate | (398.5) | 96.0 | 148.6 |
| Tax effect of: | | | |
| Dividend received deduction | (15.5) | (26.2) | (36.5) |
| IRS audit settlement | (10.1) | - | - |
| State audit settlement | (12.6) | (21.8) | - |
| State tax expense | 1.3 | - | 13.0 |
| Tax valuation allowance | 333.0 | - | - |
| Other | (5.9) | 8.0 | (2.4) |
| Income tax (benefit) expense | <u>\$ (108.3)</u> | <u>\$ 56.0</u> | <u>\$ 122.7</u> |

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Temporary Differences

The tax effects of temporary differences that give rise to Deferred tax assets and Deferred tax liabilities at December 31, 2008 and 2007, are presented below.

| | 2008 | 2007 |
|-----------------------------------------------------------|-------------|-------------|
| Deferred tax assets: | | |
| Insurance reserves | \$ 217.2 | \$ 216.6 |
| Net unrealized capital loss | 503.8 | 8.5 |
| Unrealized losses allocable to experience-rated contracts | - | 5.7 |
| Investments | 294.7 | 6.7 |
| Postemployment benefits | 67.4 | 65.5 |
| Compensation | 42.5 | 37.7 |
| Other | 3.9 | 32.9 |
| Total gross assets before valuation allowance | 1,129.5 | 373.6 |
| Less: valuation allowance | (333.0) | (6.4) |
| Assets, net of valuation allowance | 796.5 | 367.2 |
| Deferred tax liabilities: | | |
| Value of business acquired | (653.3) | (438.5) |
| Deferred policy acquisition costs | (244.3) | (204.6) |
| Total gross liabilities | (897.6) | (643.1) |
| Net deferred income tax asset (liability) | \$ (101.1) | \$ (275.9) |

Net unrealized capital gains and losses are presented as a component of other comprehensive income (loss) in Shareholder's equity, net of deferred taxes. Due to changes in classification during 2008, the amount for the 2007 table above were reclassified in order to allow for more effective comparison.

Valuation allowances are provided when it is considered unlikely that deferred tax assets will be realized. As of December 31, 2008 and 2007, the Company had a tax valuation allowance of \$328.0 and \$0, respectively, related to realized capital losses, which is included in Net (loss) income. The valuation allowance includes \$106.7 related to impairments of securities designated in the ING-Dutch State Transaction, which has established pending uncertainties regarding the closing of the transaction. As of December 31, 2008 and 2007, the Company had a valuation allowance of \$0 and \$6.4, respectively, related to unrealized capital losses on investments, which is included in Accumulated Other Comprehensive Income (Loss). In 2008, the Company has also established a \$5.0 tax valuation allowance against foreign tax credits, the benefit of which is uncertain.

Tax Sharing Agreement

ILIAC had a receivable of \$38.6 and payable \$56.8 to ING AIH at December 31, 2008 and 2007, respectively, for federal income taxes under the inter-company tax sharing agreement.

See Related Party Transactions footnote for more information.

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Unrecognized Tax Benefits

Reconciliations of the change in the unrecognized income tax benefits for the years ended December 31, 2008 and 2007 are as follows:

| | 2008 | 2007 |
|-----------------------------------------------------|----------------|----------------|
| Balance at January 1 | \$ 47.4 | \$ 68.0 |
| Additions for tax positions related to current year | 2.4 | 2.9 |
| Additions for tax positions related to prior years | 2.2 | - |
| Reductions for tax positions related to prior years | (20.7) | (23.5) |
| Reductions for settlements with taxing authorities | (9.2) | - |
| Balance at December 31 | <u>\$ 22.1</u> | <u>\$ 47.4</u> |

The Company had \$23.1 and \$42.6 of unrecognized tax benefits as of December 31, 2008 and 2007, respectively, that would affect the Company's effective tax rate if recognized.

Interest and Penalties

The Company recognizes accrued interest and penalties related to unrecognized tax benefits in Current income taxes and Income tax expense on the Consolidated Balance Sheets and the Consolidated Statements of Operations, respectively. The Company had accrued interest of \$3.8 and \$16.9 as of December 31, 2008 and 2007, respectively. The decrease in accrued interest during the year ended December 31, 2008 primarily related to the settlement of the 2002 and 2003 IRS audit and the 1995 through 2000 New York state audit.

Tax Regulatory Matters

The Company is under audit by the IRS for tax years 2004 through 2008, and is subject to state audit in New York for years 2001 through 2006. It is anticipated that the IRS audit of tax years 2004 through 2008 will be finalized within the next twelve months. Upon finalization of the IRS and New York examinations, it is reasonably possible that the unrecognized tax benefits will decrease by up to \$7.6. The timing of the payment of the remaining allowance of \$14.5 can not be reliably estimated.

On September 25, 2007, the IRS issued Revenue Ruling 2007-61, which announced its intention to issue regulations with respect to certain computational aspects of the dividend received deduction ("DRD") on separate account assets held in connection with variable annuity and life insurance contracts. Revenue Ruling 2007-61 suspended Revenue Ruling 2007-54 issued in August 2007 that purported to change accepted industry and IRS interpretations of the statutes governing these computational questions. Any regulations that the IRS ultimately proposes for issuance in this area will be subject to public notice and comment, at which time insurance companies and other members of the public will have the opportunity to raise legal and practical questions about the content, scope and application of such regulations. As a result, the ultimate timing, substance, and effective date of any such regulations are unknown, but they could result

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in the elimination of some or all of the separate account DRD tax benefit that the Company receives.

Under prior law, life insurance companies were allowed to defer from taxation a portion of income. Deferred income of \$17.2 was accumulated in the Policyholders Surplus Account and would only become taxable under certain conditions, which management believed to be remote. In 2004, Congress passed the American Jobs Creation Act of 2004 allowing certain tax-free distributions from the Policyholders' Surplus Account during 2005 and 2006. During 2006, the Company made a dividend distribution of \$256.0, which eliminated the \$17.2 balance in the Policyholders Surplus Account and, therefore, any potential tax on the accumulated balance.

8. Benefit Plans

Defined Benefit Plan

ING North America Insurance Corporation ("ING North America") sponsors the ING Americas Retirement Plan (the "Retirement Plan"), effective as of December 31, 2001. Substantially all employees of ING North America and its affiliates (excluding certain employees) are eligible to participate, including the Company's employees other than Company agents. However, effective January 1, 2009, the Retirement Plan was amended to provide that anyone hired or rehired by the Company on or after January 1, 2009, would not be eligible to participate in the Plan. The Retirement Plan was amended and restated effective July 1, 2008 related to the admission of the employees from the acquisition of CitiStreet LLC ("CitiStreet") by Lion, and ING North America filed a request for a determination letter on the qualified status of the Plan. The Retirement Plan is a tax-qualified defined benefit plan, the benefits of which are guaranteed (within certain specified legal limits) by the Pension Benefit Guaranty Corporation ("PBGC"). As of January 1, 2002, each participant in the Retirement Plan earns a benefit under a final average compensation formula. Subsequent to December 31, 2001, ING North America is responsible for all Retirement Plan liabilities. The costs allocated to the Company for its employees' participation in the Retirement Plan were \$14.0, \$17.2, and \$23.8, for 2008, 2007, and 2006, respectively, and are included in Operating expenses in the Consolidated Statements of Operations.

Defined Contribution Plan

ING North America sponsors the ING Americas Savings Plan and ESOP (the "Savings Plan"). Substantially all employees of ING North America and its affiliates (excluding certain employees, including but not limited to Career Agents) are eligible to participate, including the Company's employees other than Company agents. Career Agents are certain, full-time insurance salespeople who have entered into a career agent agreement with the Company and certain other individuals who meet specified eligibility criteria. The Savings Plan is a tax-qualified defined contribution retirement plan, which includes an employee stock ownership plan ("ESOP") component. The Savings Plan was amended and restated effective July 1, 2008 related to the admission of the employees from the

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acquisition of CitiStreet by Lion, and ING North America filed a request for a determination letter on the qualified status of the Plan. Savings Plan benefits are not guaranteed by the PBGC. The Savings Plan allows eligible participants to defer into the Savings Plan a specified percentage of eligible compensation on a pre-tax basis. ING North America matches such pre-tax contributions, up to a maximum of 6% of eligible compensation. Matching contributions are subject to a 4-year graded vesting schedule (although certain specified participants are subject to a 5-year graded vesting schedule). All contributions made to the Savings Plan are subject to certain limits imposed by applicable law. Pre-tax charges to operations of the Company for the Savings Plan were \$10.3, \$10.1, and \$9.7, for the years ended December 31, 2008, 2007, and 2006, respectively, and are included in Operating expenses in the Consolidated Statements of Operations.

Non-Qualified Retirement Plans

Through December 31, 2001, the Company, in conjunction with ING North America, offered certain eligible employees (other than Career Agents) a Supplemental Executive Retirement Plan and an Excess Plan (collectively, the “SERPs”). Benefit accruals under the SERPs ceased, effective as of December 31, 2001. Benefits under the SERPs are determined based on an eligible employee’s years of service and average annual compensation for the highest five years during the last ten years of employment.

The Company, in conjunction with ING North America, sponsors the Pension Plan for Certain Producers of ING Life Insurance and Annuity Company (formerly the Pension Plan for Certain Producers of Aetna Life Insurance and Annuity Company) (the “Agents Non-Qualified Plan”). This plan covers certain full-time insurance salespeople who have entered into a career agent agreement with the Company and certain other individuals who meet the eligibility criteria specified in the plan (“Career Agents”). The Agents Non-Qualified Plan was terminated effective January 1, 2002. In connection with the termination, all benefit accruals ceased and all accrued benefits were frozen.

The SERPs and Agents Non-Qualified Plan, are non-qualified defined benefit pension plans, which means all the SERPs benefits are payable from the general assets of the Company and Agents Non-Qualified Plan benefits are payable from the general assets of the Company and ING North America. These non-qualified defined benefit pension plans are not guaranteed by the PBGC.

Obligations and Funded Status

The following tables summarize the benefit obligations, fair value of plan assets, and funded status, for the SERPs and Agents Non-Qualified Plan, for the years ended December 31, 2008 and 2007.

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| | 2008 | 2007 |
|-------------------------------------------|----------------|----------------|
| Change in Projected Benefit Obligation: | | |
| Projected benefit obligation, January 1 | \$ 85.6 | \$ 97.7 |
| Interest cost | 5.2 | 5.4 |
| Benefits paid | (11.6) | (9.3) |
| Post service cost-unrecognized | 0.2 | - |
| Actuarial gain (loss) on obligation | 15.5 | (8.2) |
| Projected benefit obligation, December 31 | <u>\$ 94.9</u> | <u>\$ 85.6</u> |
| Fair Value of Plan Assets: | | |
| Fair value of plan assets, December 31 | <u>\$ -</u> | <u>\$ -</u> |

Amounts recognized in the Consolidated Balance Sheets consist of:

| | 2008 | 2007 |
|----------------------------------------|------------------|------------------|
| Accrued benefit cost | \$ (94.9) | \$ (85.6) |
| Intangible assets | - | - |
| Accumulated other comprehensive income | 20.0 | 4.9 |
| Net amount recognized | <u>\$ (74.9)</u> | <u>\$ (80.7)</u> |

At December 31, 2008 and 2007, the projected benefit obligation was \$94.9 and \$85.6, respectively.

Assumptions

The weighted-average assumptions used in the measurement of the December 31, 2008 and 2007 benefit obligation for the SERPs and Agents Non-Qualified Plan, were as follows:

| | 2008 | 2007 |
|--------------------------------|-------------|-------------|
| Discount rate at end of period | 6.50% | 6.50% |
| Rate of compensation increase | 4.00% | 4.20% |

In determining the discount rate assumption, the Company utilizes current market information provided by its plan actuaries (particularly the Citigroup Pension Discount Curve Liability Index), including a discounted cash flow analysis of the Company's pension obligation and general movements in the current market environment. The discount rate modeling process involves selecting a portfolio of high quality, noncallable bonds that will match the cash flows of the Retirement Plan. Based upon all available information, it was determined that 6.0% was the appropriate discount rate as of December 31, 2008, to calculate the Company's accrued benefit liability. Accordingly, as prescribed by FAS No. 87, "Employers' Accounting for Pensions", the 6.5% discount rate will also be used to determine the Company's 2008 pension expense. December 31 is the measurement date for the SERP's and Agents Non-Qualified Plan.

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The weighted-average assumptions used in calculating the net pension cost were as follows:

| | 2008 | 2007 | 2006 |
|-----------------------------------------|-------|-------|-------|
| Discount rate | 6.50% | 5.90% | 6.00% |
| Rate of increase in compensation levels | 4.00% | 4.20% | 4.00% |

The weighted average assumptions used in calculating the net pension cost for 2008 were, as indicated above, a 6.0% discount rate and a 4.0% rate of compensation increase. Since the benefit plans of the Company are unfunded, an assumption for return on plan assets is not required.

Net Periodic Benefit Costs

Net periodic benefit costs for the SERPs and Agents Non-Qualified Plan, for the years ended December 31, 2008, 2007, and 2006, were as follows:

| | 2008 | 2007 | 2006 |
|-------------------------------------------------------|--------|--------|--------|
| Interest cost | \$ 5.2 | \$ 5.4 | \$ 5.5 |
| Net actuarial loss recognized in the year | - | 0.7 | 2.0 |
| Unrecognized past service cost recognized in the year | - | - | 0.2 |
| The effect of any curtailment or settlement | 0.5 | 0.4 | 0.4 |
| Net periodic benefit cost | \$ 5.7 | \$ 6.5 | \$ 8.1 |

Cash Flows

In 2009, the employer is expected to contribute \$4.3 to the SERPs and Agents Non-Qualified Plan. Future expected benefit payments related to the SERPs, and Agents Non-Qualified Plan, for the years ended December 31, 2009 through 2013, and thereafter through 2018, are estimated to be \$4.3, \$4.4, \$5.0, \$5.1, \$5.1, and \$26.4, respectively.

Other

On October 4, 2004, the President signed into law The Jobs Creation Act ("Jobs Act"). The Jobs Act affects nonqualified deferred compensation plans, such as the Agents Nonqualified Plan. ING North America has made changes to impacted nonqualified deferred compensation plans, as necessary to comply with the requirements of the Jobs Act.

Stock Option and Share Plans

ING sponsors the ING Group Long Term Equity Ownership Plan ("leo"), which provides employees of the Company who are selected by the ING Board of Directors to be granted options and/or performance shares. The terms applicable to an award under leo are set out in an award agreement, which is signed by the participant when he or she accepts the award.

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Options granted under leo are nonqualified options on ING shares in the form of American Depositary Receipts (“ADRs”). Leo options have a ten (10) year term and vest three years from the grant date. Options awarded under leo may vest earlier in the event of the participant’s death, permanent disability or retirement. Retirement for purposes of leo means a participant terminates service after attaining age 55 and completing 5 years of service. Early vesting in all or a portion of a grant of options may also occur in the event the participant is terminated due to redundancy or business divestiture. Unvested options are generally subject to forfeiture when a participant voluntarily terminates employment or is terminated for cause (as defined in leo). Upon vesting, participants generally have up to seven years in which to exercise their vested options. A shorter exercise period applies in the event of termination due to redundancy, business divestiture, voluntary termination or termination for cause. An option gives the recipient the right to purchase an ING share in the form of ADRs at a price equal to the fair market value of one ING share on the date of grant. On exercise, participant’s have three options (i) retain the shares and remit a check for applicable taxes due on exercise, (ii) request the administrator to remit a cash payment for the value of the options being exercised, less applicable taxes, or (iii) retain some of the shares and have the administrator liquidate sufficient shares to satisfy the participant’s tax obligation. The share price is in Euros and converted to U.S. dollars, as determined by ING.

Awards of performance shares may also be made under leo. Performance shares are a contingent grant of ING stock, and, on vesting, the participant has the right to receive a cash amount equal to the closing price per ING share on the Euronext Amsterdam Stock Market on the vesting date times the number of vested Plan shares. Performance shares generally vest three years from the date of grant, with the amount payable based on ING’s share price on the vesting date. Payments made to participants on vesting are based on the performance targets established in connection with leo and payments can range from 0% to 200% of target. Performance is based on ING’s total shareholder return relative to a peer group as determined at the end of the vesting period. To vest, a participant must be actively employed on the vesting date, although vesting will continue to occur in the event of the participant’s death, disability or retirement. If a participant is terminated due to redundancy or business divestiture, vesting will occur but in only a portion of the award. Unvested shares are generally subject to forfeiture when an employee voluntarily terminates employment or is terminated for cause (as defined in leo). Upon vesting, participants have three options (i) retain the shares and remit a check for applicable taxes due on exercise, (ii) request the administrator to remit a cash payment for the value of the shares, less applicable taxes, or (iii) retain some of the shares and have the administrator liquidate sufficient shares to satisfy the participant’s tax obligation. The amount is converted from Euros to U.S. dollars based on the daily average exchange rate between the Euro and the U.S. dollar, as determined by ING.

The Company recognized compensation expense for the leo options and performance shares of \$4.1, \$4.5, and \$10.1, for the years ended December 31, 2008, 2007, and 2006 respectively.

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For leo, the Company recognized tax benefits of \$0.7, \$3.2, and \$0.1, in 2008, 2007, and 2006, respectively.

Other Benefit Plans

In addition, the Company, in conjunction with ING North America, sponsors the following benefit plans:

- The ING 401(k) Plan for ILIAC Agents, which allows participants to defer a specified percentage of eligible compensation on a pre-tax basis. Effective January 1, 2006, the Company match equals 60% of a participant's pre-tax deferral contribution, with a maximum of 6% of the participant's eligible pay.
- The Producers' Incentive Savings Plan, which allows participants to defer up to a specified portion of their eligible compensation on a pre-tax basis. The Company matches such pre-tax contributions at specified amounts.
- The Producers' Deferred Compensation Plan, which allows participants to defer up to a specified portion of their eligible compensation on a pre-tax basis.
- Certain health care and life insurance benefits for retired employees and their eligible dependents. The post retirement health care plan is contributory, with retiree contribution levels adjusted annually. The life insurance plan provides a flat amount of noncontributory coverage and optional contributory coverage.
- The ING Americas Supplemental Executive Retirement Plan, which is a non-qualified defined benefit restoration pension plan.
- The ING Americas Deferred Compensation Savings Plan, which is a deferred compensation plan that includes a 401(k) excess component.

The benefit charges allocated to the Company related to these plans for the years ended December 31, 2008, 2007, and 2006, were \$1.4, \$0.4, and \$1.4, respectively.

9. Related Party Transactions

Operating Agreements

ILIAC has certain agreements whereby it generates revenues and expenses with affiliated entities, as follows:

- Investment Advisory agreement with ING Investment Management LLC ("IIM"), an affiliate, in which IIM provides asset management, administrative, and accounting services for ILIAC's general account. ILIAC incurs a fee, which is paid quarterly, based on the value of the assets under management. For the years ended December 31, 2008, 2007, and 2006, expenses were incurred in the amounts of \$58.4, \$60.5, and \$62.2, respectively.

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- Services agreement with ING North America for administrative, management, financial, and information technology services, dated January 1, 2001 and amended effective January 1, 2002. For the years ended December 31, 2008, 2007, and 2006, expenses were incurred in the amounts of \$175.3, \$167.9, and \$175.3, respectively.
- Services agreement between ILIAC and its U.S. insurance company affiliates dated January 1, 2001, and amended effective January 1, 2002 and December 31, 2007. For the years ended December 31, 2008, 2007, and 2006, net expenses related to the agreement were incurred in the amount of \$19.6, \$21.7, and \$12.4, respectively.

Management and service contracts and all cost sharing arrangements with other affiliated companies are allocated in accordance with the Company's expense and cost allocation methods.

DSL has certain agreements whereby it generates revenues and expenses with affiliated entities, as follows:

- Underwriting and distribution agreements with ING USA Annuity and Life Insurance Company ("ING USA") and ReliaStar Life Insurance Company of New York ("RLNY"), affiliated companies, whereby DSL serves as the principal underwriter for variable insurance products. In addition, DSL is authorized to enter into agreements with broker-dealers to distribute the variable insurance products and appoint representatives of the broker-dealers as agents. For the years ended December 31, 2008, 2007, and 2006, commissions were collected in the amount of \$622.5, \$568.4, and \$429.2. Such commissions are, in turn, paid to broker-dealers.
- Services agreements with ING USA and RLNY, whereby DSL receives managerial and supervisory services and incurs a fee that is calculated as a percentage of average assets of each company's variable separate accounts deposited in ING Investors Trust. On August 9, 2007, DSL and ING USA entered into an amendment to the service agreement effective July 31, 2007 to modify the method for calculating the compensation owed to ING USA under the service agreement. As a result of this amendment, DSL pays ING USA the total net revenue associated with ING USA deposits into ING Investors Trust. For the years ended December 31, 2008, 2007, and 2006, expenses were incurred under these services agreements in the amount of \$156.2, \$124.4, and \$70.8, respectively.
- Administrative and advisory services agreements with ING Investment LLC and IIM, affiliated companies, in which DSL receives certain services for a fee. The fee for these services is calculated as a percentage of average assets of ING Investors Trust. For the years ended December 31, 2008, 2007, and 2006, expenses were incurred in the amounts of \$14.9, \$13.1, and \$8.8, respectively.

Investment Advisory and Other Fees

During 2006, ILIAC served as investment advisor to certain variable funds offered in Company products (collectively, the "Company Funds"). The Company Funds paid ILIAC, as investment advisor, daily fees that, on an annual basis, ranged, depending on

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the Fund, from 0.5% to 1.0% of their average daily net assets. Each of the Company Funds managed by ILIAC were subadvised by investment advisors, in which case ILIAC paid a subadvisory fee to the investment advisors, which included affiliates. Effective January 1, 2007, ILIAC's investment advisory agreement with the Company Funds was assigned to DSL. ILIAC is also compensated by the separate accounts for bearing mortality and expense risks pertaining to variable life and annuity contracts. Under the insurance and annuity contracts, the separate accounts pay ILIAC daily fees that, on an annual basis are, depending on the product, up to 3.4% of their average daily net assets. The total amount of compensation and fees received by the Company from the Company Funds and separate accounts totaled \$245.1, \$312.7, and \$289.9, (excludes fees paid to ING Investment Management Co.) in 2008, 2007, and 2006, respectively.

DSL has been retained by ING Investors Trust (the "Trust"), an affiliate, pursuant to a management agreement to provide advisory, management, administrative and other services to the Trust. Under the management agreement, DSL provides or arranges for the provision of all services necessary for the ordinary operations of the Trust. DSL earns a monthly fee based on a percentage of average daily net assets of the Trust. DSL has entered into an administrative services subcontract with ING Fund Services, LLC, an affiliate, pursuant to which ING Fund Services, LLC, provides certain management, administrative and other services to the Trust and is compensated a portion of the fees received by DSL under the management agreement. For the years ended December 31, 2008, 2007, and 2006, revenue received by DSL under the management agreement (exclusive of fees paid to affiliates) was \$323.8, \$343.8, and \$233.9, respectively. At December 31, 2008 and 2007, DSL had \$18.6 and \$26.7, respectively, receivable from the Trust under the management agreement.

Financing Agreements

ILIAC maintains a reciprocal loan agreement with ING AIH, an affiliate, to facilitate the handling of unanticipated short-term cash requirements that arise in the ordinary course of business. Under this agreement, which became effective in June 2001 and expires on April 1, 2011, either party can borrow from the other up to 3% of ILIAC's statutory admitted assets as of the preceding December 31. Interest on any ILIAC borrowing is charged at the rate of ING AIH's cost of funds for the interest period, plus 0.15%. Interest on any ING AIH borrowings is charged at a rate based on the prevailing interest rate of U.S. commercial paper available for purchase with a similar duration.

Under this agreement, ILIAC incurred interest expense of \$0.2, \$3.9, and \$1.8, for the years ended December 31, 2008, 2007, and 2006, respectively, and earned interest income of \$4.8, \$1.7, and \$3.3, for the years ended December 31, 2008, 2007, and 2006, respectively. Interest expense and income are included in Interest expense and Net investment income, respectively, on the Consolidated Statements of Operations. As of December 31, 2008, ILIAC had \$13.0 due to ING AIH under the reciprocal loan agreement and no amounts due as of December 31, 2007. At December 31, 2008 and 2007, ILIAC had no amount due from ING AIH under the reciprocal loan agreement.

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As of June 1, 2007, the State of Connecticut, acting by the Department of Economic and Community Development (“DECD”), loaned ILIAC \$9.9 (the “DECD Loan”) in connection with the development of the Windsor Property. The loan has a term of twenty years and bears an annual interest rate of 1.00%. As long as no defaults have occurred under the loan, no payments of principal or interest are due for the initial ten years of the loan. For the second ten years of the DECD Loan term, ILIAC is obligated to make monthly payments of principal and interest.

The DECD Loan provides for loan forgiveness at varying amounts up to \$5.0 if ILIAC and its affiliates meet certain employment thresholds at the Windsor Property during the term of the loan. ILIAC’s obligations under the DECD Loan are secured by an unlimited recourse guaranty from its affiliate, ING North America Insurance Corporation.

On December 1, 2008, the DECD determined that the Company met the employment thresholds for loan forgiveness and, accordingly, forgave \$5.0 of the DECD Loan to the Company in accordance with the terms of the DECD Loan.

At December 31, 2008 and 2007, the amount of the loan outstanding was \$4.9 and \$9.9, which was reflected in Notes payable on the Consolidated Balance Sheets.

Note with Affiliate

On December 29, 2004, ING USA issued a surplus note in the principal amount of \$175.0 (the “Note”) scheduled to mature on December 29, 2034, to ILIAC, in an offering that was exempt from the registration requirements of the Securities Act of 1933. ILIAC’s \$175.0 Note from ING USA bears interest at a rate of 6.26% per year. Any payment of principal and/or interest is subject to the prior approval of the Iowa Insurance Commissioner. Interest is scheduled to be paid semi-annually in arrears on June 29 and December 29 of each year, commencing on June 29, 2005. Interest income for the years ended December 31, 2008, 2007, and 2006 was \$11.1.

Tax Sharing Agreements

Effective January 1, 2006, ILIAC is a party to a federal tax allocation agreement with ING AIH and its subsidiaries that are part of the ING AIH consolidated group. Under the federal tax allocation agreement, ING AIH charges its subsidiaries for federal taxes each subsidiary would have incurred were it not a member of the consolidated group and credits each subsidiary for losses at the statutory federal tax rate.

For the years ended December 31, 2006 and 2005, DSI, which merged with and into DSL on December 31, 2006, was party to the ING AIH federal tax allocation agreement, as described above. Income from DSL, a single member limited liability company, is taxed at the member level (ILIAC).

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ILIAC has also entered into a state tax sharing agreement with ING AIH and each of the specific subsidiaries that are parties to the agreement. The state tax agreement applies to situations in which ING AIH and all or some of the subsidiaries join in the filing of a state or local franchise, income tax, or other tax return on a consolidated, combined, or unitary basis.

10. Financing Agreements

ILIAC maintains a \$50.0 uncommitted, perpetual revolving note facility with the Bank of New York ("BONY"). Interest on any of ILIAC's borrowing accrues at an annual rate equal to a rate quoted by BONY to ILIAC for the borrowing. Under this agreement, ILIAC incurred no interest expense for the year ended December 31, 2008, and minimal interest expense for the years ended December 31, 2007 and 2006. At December 31, 2008 and 2007, ILIAC had no amounts outstanding under the revolving note facility.

ILIAC also maintains a \$100.0 uncommitted line-of-credit agreement with PNC Bank ("PNC"), effective December 19, 2005. Borrowings are guaranteed by ING AIH, with maximum aggregate borrowings outstanding at anytime to ING AIH and its affiliates of \$100.0. Interest on any of ILIAC's borrowing accrues at an annual rate equal to a rate quoted by PNC to ILIAC for the borrowing. Under this agreement, ILIAC incurred no interest expense for the year ended December 31, 2008, and minimal interest expense for the years ended December 31, 2007 and 2006. At December 31, 2008 and 2007, ILIAC had no amounts outstanding under the line-of-credit agreement. As of October 31, 2008, the Company had not formally renewed this line-of-credit, which subsequently expired on this date.

ILIAC also maintains \$100.0 uncommitted line-of-credit agreement with Svenska Handelsbanken AB (Publ.), effective June 2, 2006. Borrowings are guaranteed by ING AIH, with maximum aggregate borrowings outstanding at anytime to ING AIH and its affiliates of \$100.0. Interest on any of the Company's borrowing accrues at an annual rate equal to the rate quoted by Svenska to the Company for the borrowing. Under this agreement, the Company incurred no interest expense for the year ended December 31, 2008, and minimal interest expense for the years ended December 31, 2007 and 2006. At December 31, 2007, ILIAC had no amounts outstanding under the line-of-credit agreement. Effective November 19, 2008, the Company discontinued this line-of-credit.

Also see Financing Agreements in the Related Party Transactions footnote.

11. Reinsurance

At December 31, 2008, the Company had reinsurance treaties with 7 unaffiliated reinsurers covering a significant portion of the mortality risks and guaranteed death benefits under its variable contracts. At December 31, 2008, the Company did not have any outstanding cessions under any reinsurance treaties with affiliated reinsurers. The

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Company remains liable to the extent its reinsurers do not meet their obligations under the reinsurance agreements.

On, October 1, 1998, the Company disposed of its individual life insurance business under an indemnity reinsurance arrangement with certain subsidiaries of Lincoln for \$1.0 billion in cash. Under the agreement, Lincoln contractually assumed from the Company certain policyholder liabilities and obligations, although the Company remains obligated to contractowners. Effective March 1, 2007, the reinsurance agreements were assigned to a single subsidiary of Lincoln, and that subsidiary established a trust to secure its obligations to the Company under the reinsurance transaction.

The Company assumed \$25.0 of premium revenue from Aetna Life, for the purchase and administration of a life contingent single premium variable payout annuity contract. In addition, the Company is also responsible for administering fixed annuity payments that are made to annuitants receiving variable payments. Reserves of \$11.0 and \$16.1 were maintained for this contract as of December 31, 2008 and 2007, respectively.

Reinsurance ceded in force for life mortality risks were \$19.6 billion and \$20.9 billion at December 31, 2008 and 2007, respectively. At December 31, 2008 and 2007, net receivables were comprised of the following:

| | 2008 | 2007 |
|------------------------------------|-------------------|-------------------|
| Claims recoverable from reinsurers | \$ 2,506.6 | \$ 2,595.2 |
| Payable for reinsurance premiums | (0.9) | (0.9) |
| Reinsured amounts due to reinsurer | (0.4) | (5.9) |
| Reserve credits | - | 0.1 |
| Other | 0.3 | 5.9 |
| Total | <u>\$ 2,505.6</u> | <u>\$ 2,594.4</u> |

Premiums and Interest credited and other benefits to contractowners were reduced by the following amounts for reinsurance ceded for the years ended December 31, 2008, 2007, and 2006.

| | 2008 | 2007 | 2006 |
|----------------------------------|----------|----------|----------|
| Deposits ceded under reinsurance | \$ 174.4 | \$ 188.5 | \$ 199.0 |
| Premiums ceded under reinsurance | 0.3 | 0.4 | 0.5 |
| Reinsurance recoveries | 309.0 | 419.7 | 359.0 |

12. Commitments and Contingent Liabilities

Leases

Prior to December 31, 2008, the Company leased certain office space and certain equipment under various operating leases, the longest term of which expires in 2014. However, all operating leases were terminated or consolidated by ING AIH during the

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fourth quarter of 2008, which resulted in the Company no longer being party to any operating leases.

For the years ended December 31, 2008, 2007, and 2006, rent expense for leases was \$6.1, \$17.7, and \$17.8, respectively. The Company pays substantially all expenses associated with its leased and subleased office properties. Expenses not paid directly by the Company are paid for by an affiliate and allocated back to the Company. As of December 31, 2008, the Company's expenses will be paid for by an affiliate and allocated back to the Company.

For more information on the lease terminations, see the Restructuring Charges footnote.

Commitments

Through the normal course of investment operations, the Company commits to either purchase or sell securities, commercial mortgage loans, or money market instruments, at a specified future date and at a specified price or yield. The inability of counterparties to honor these commitments may result in either a higher or lower replacement cost. Also, there is likely to be a change in the value of the securities underlying the commitments.

At December 31, 2008, the Company had off-balance sheet commitments to purchase investments equal to their fair value of \$353.3, \$253.7 of which was with related parties. At December 31, 2007, the Company had off-balance sheet commitments to purchase investments equal to their fair value of \$357.8, \$226.6 of which was with related parties. During 2008 and 2007, \$81.3 and \$87.3, respectively, was funded to related parties under off-balance sheet commitments.

Financial Guarantees

The Company owns a 3-year credit-linked note arrangement, whereby the Company will reimburse the guaranteed party upon payment default of the referenced obligation. Upon such default, the Company reimburses the guaranteed party for the loss under the reference obligation, and the Company receives that reference obligation in settlement. The Company can then seek recovery of any losses under the agreement by sale or collection of the received reference obligation. As of December 31, 2008, the maximum liability to the Company under the guarantee was \$30.0.

Cash Collateral

Under the terms of the Company's Over-The-Counter Derivative ISDA Agreements ("ISDA Agreements"), the Company may receive from, or deliver to, counterparties, collateral to assure that all terms of the ISDA Agreements will be met with regard to the CSA. The terms of the CSA call for the Company to pay interest on any cash received equal to the Federal Funds rate. As of December 31, 2008, the Company held \$4.4 of cash collateral, which was included in Collateral held, including payables under securities loan agreement. As of December 31, 2007, the Company delivered \$18.8 of cash

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collateral, which was included in Short-term investments under securities loan agreement, including collateral delivered, on the Consolidated Balance Sheets.

Litigation

The Company is involved in threatened or pending lawsuits/arbitrations arising from the normal conduct of business. Due to the climate in insurance and business litigation/arbitrations, suits against the Company sometimes include claims for substantial compensatory, consequential, or punitive damages, and other types of relief. Moreover, certain claims are asserted as class actions, purporting to represent a group of similarly situated individuals. While it is not possible to forecast the outcome of such lawsuits/arbitrations, in light of existing insurance, reinsurance, and established reserves, it is the opinion of management that the disposition of such lawsuits/arbitrations will not have a materially adverse effect on the Company's operations or financial position.

Other Regulatory Matters

Regulatory Matters

As with many financial services companies, the Company and its affiliates have received informal and formal requests for information from various state and federal governmental agencies and self-regulatory organizations in connection with inquiries and investigations of the products and practices of the financial services industry. In each case, the Company and its affiliates have been and are providing full cooperation.

Insurance and Retirement Plan Products and Other Regulatory Matters

Federal and state regulators, and self-regulatory agencies, are conducting broad inquiries and investigations involving the insurance and retirement industries. These initiatives currently focus on, among other things, compensation, revenue sharing, and other sales incentives; potential conflicts of interest; sales and marketing practices (including sales to seniors); specific product types (including group annuities and indexed annuities); and disclosure. The Company and certain of its U.S. affiliates have received formal and informal requests in connection with such investigations, and have cooperated and are cooperating fully with each request for information. Some of these matters could result in regulatory action involving the Company. These initiatives also may result in new legislation and regulation that could significantly affect the financial services industry, including businesses in which the Company is engaged. In light of these and other developments, U.S. affiliates of ING, including the Company, periodically review whether modifications to their business practices are appropriate.

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Notes to Consolidated Financial Statements
(Dollar amount in millions, unless otherwise stated)

Investment Product Regulatory Issues

Since 2002, there has been increased governmental and regulatory activity relating to mutual funds and variable insurance products. This activity has primarily focused on inappropriate trading of fund shares; directed brokerage; compensation; sales practices, suitability, and supervision; arrangements with service providers; pricing; compliance and controls; adequacy of disclosure; and document retention.

In addition to responding to governmental and regulatory requests on fund trading issues, ING management, on its own initiative, conducted, through special counsel and a national accounting firm, an extensive internal review of mutual fund trading in ING insurance, retirement, and mutual fund products. The goal of this review was to identify any instances of inappropriate trading in those products by third parties or by ING investment professionals and other ING personnel.

The internal review identified several isolated arrangements allowing third parties to engage in frequent trading of mutual funds within the variable insurance and mutual fund products of certain affiliates of the Company, and identified other circumstances where frequent trading occurred despite measures taken by ING intended to combat market timing. Each of the arrangements has been terminated and disclosed to regulators, to the independent trustees of ING Funds (U.S.) and in Company reports previously filed with the Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934, as amended.

Action has been or may be taken with respect to certain ING affiliates before investigations relating to fund trading are completed. The potential outcome of such action is difficult to predict but could subject certain affiliates to adverse consequences, including, but not limited to, settlement payments, penalties, and other financial liability. It is not currently anticipated, however, that the actual outcome of any such action will have a material adverse effect on ING or ING's U.S.-based operations, including the Company.

ING has agreed to indemnify and hold harmless the ING Funds from all damages resulting from wrongful conduct by ING or its employees or from ING's internal investigation, any investigations conducted by any governmental or self-regulatory agencies, litigation or other formal proceedings, including any proceedings by the SEC. Management reported to the ING Funds Board that ING management believes that the total amount of any indemnification obligations will not be material to ING or ING's U.S.-based operations, including the Company.

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13. Restructuring Charges

2008 CitiStreet Integration

During the third quarter, integration initiatives related to the acquisition of CitiStreet by Lion, which provided significant operational and information technology efficiencies to ING's U.S. retirement services businesses, including the Company, resulted in the recognition of integration and restructuring costs. In addition, the Company implemented an expense reduction program for the purpose of streamlining its overall operations. The restructuring charges related to these expense reduction and integration initiatives include severance and other employee benefits and lease abandonment costs, which are included in Operating Expenses on the Consolidated Statements of Operations.

The following table illustrates the restructuring reserves and charges for the period ended December 31, 2008.

| | | |
|---------------------------------------------|----|----------------------|
| Restructuring reserve at inception | \$ | - |
| Restructuring charges: | | |
| Employee severance and termination benefits | | 11.2 ⁽¹⁾ |
| Future rent on non-cancelable leases | | 1.5 ⁽²⁾ |
| Total restructuring charges | | 12.7 |
| Other charges | | - |
| Intercompany charges and payments | | (2.5) ⁽³⁾ |
| Payments applied against reserve | | (1.9) ⁽⁴⁾ |
| Restructuring reserve at December 31, 2008 | \$ | 8.3 |

⁽¹⁾ Amounts represent charges to the Company for all severed employees that support the Company, including those within affiliates.

⁽²⁾ Amounts represent intercompany expense allocations from ING AIH. The expenses were allocated to the Company based upon the department that used the space, and the cash settlement occurred in January 2009.

⁽³⁾ Amounts represent payments to ING affiliates for severance incurred by another ING entity for employees that supported the Company. Payments were made through ING's intercompany cash settlement process.

⁽⁴⁾ Amounts represent payments to employees of the Company, as well as reversals of severance reserves.

The Company estimates the completion of these integration and restructuring activities by January 30, 2010.

2009 Expense and Staff Reductions

On January 12, 2009, ING announced expense and staff reductions across all U.S. operations, which resulted in the elimination of 87 current and open positions in the Company. Due to the staff reductions, curtailment of pension benefits shall occur during the first quarter of 2009, which will result in the recognition of a loss related to unrecognized prior service costs. The effect of the curtailment on the Company's earnings is anticipated to be less than \$0.1. The Company anticipates that these restructuring activities in regards to its operations will be complete by February 10, 2010 with total estimated costs of \$5.8.

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14. Accumulated Other Comprehensive Income (Loss)

Shareholder's equity included the following components of Accumulated other comprehensive income (loss) as of December 31, 2008, 2007, and 2006.

| | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|------------------------------------------------------------------|-------------------|------------------|------------------|
| Net unrealized capital gains (losses): | | | |
| Fixed maturities, available-for-sale | \$ (1,315.5) | \$ (64.5) | \$ (44.6) |
| Equity securities, available-for-sale | (7.4) | 6.3 | 18.1 |
| DAC/VOBA adjustment on available-for-sale securities | 650.9 | 7.8 | 3.9 |
| Sales inducements adjustment on available-for-sale securities | 2.4 | 0.2 | 0.1 |
| Premium deficiency reserve adjustment | - | - | (37.5) |
| Other investments | (0.3) | (0.7) | 0.8 |
| Less: allocation to experience-rated contracts | - | (16.4) | (52.4) |
| Unrealized capital gains (losses), before tax | (669.9) | (34.5) | (6.8) |
| Deferred income tax asset (liability) | 205.8 | 12.1 | 2.4 |
| Asset valuation allowance | - | (6.4) | - |
| Net unrealized capital gains (losses) | (464.1) | (28.8) | (4.4) |
| Pension liability, net of tax | (18.0) | (5.0) | (9.6) |
| Accumulated other comprehensive (loss) income | <u>\$ (482.1)</u> | <u>\$ (33.8)</u> | <u>\$ (14.0)</u> |

During 2008, as a result of the current market conditions, the Company reflected net unrealized capital losses allocated to experience-rated contracts in Shareholder's equity on the Consolidated Balance Sheets rather than Future policy benefits and claims reserves. At December 31, 2008, there are no net unrealized losses allocated to experience-rated contracts. Net unrealized capital gains (losses) allocated to experience-rated contracts of \$(16.4) at December 31, 2007, are reflected on the Consolidated Balance Sheets in Future policy benefits and claims reserves and are not included in Shareholder's equity.

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Changes in Accumulated other comprehensive income (loss), net of DAC, VOBA, and tax (excluding the tax valuation allowance), related to changes in unrealized capital gains (losses) on securities, including securities pledged and excluding those related to experience-rated contracts, as appropriate, were as follows for the years ended December 31, 2008, 2007, and 2006.

| | 2008 | 2007 | 2006 |
|---------------------------------------------------------------|-------------------|------------------|------------------|
| Fixed maturities, available-for-sale | \$ (1,251.0) | \$ (19.9) | \$ (26.6) |
| Equity securities, available-for-sale | (13.7) | (11.8) | 14.9 |
| DAC/VOBA adjustment on available-for-sale securities | 643.1 | 3.9 | (1.2) |
| Sales inducements adjustment on available-for-sale securities | 2.2 | 0.1 | - |
| Premium deficiency reserve adjustment | - | 37.5 | (13.9) |
| Other investments | 0.4 | (1.5) | (0.4) |
| Less: allocation to experience-rated contracts | 16.4 | 36.0 | (3.8) |
| Unrealized capital gains (losses), before tax | (635.4) | (27.7) | (23.4) |
| Deferred income tax asset (liability) | 193.7 | 9.7 | 12.7 |
| Net change in unrealized capital gains (losses) | <u>\$ (441.7)</u> | <u>\$ (18.0)</u> | <u>\$ (10.7)</u> |

| | 2008 | 2007 | 2006 |
|-------------------------------------------------------------------------------------------------------------------|-------------------|------------------|------------------|
| Net unrealized capital holding gains (losses) arising during the year ⁽¹⁾ | \$ (1,192.0) | \$ (66.9) | \$ (43.6) |
| Less: reclassification adjustment for gains (losses) and other items included in Net (loss) income ⁽²⁾ | (750.3) | (48.9) | (32.9) |
| Net change in unrealized capital gains (losses) on securities | <u>\$ (441.7)</u> | <u>\$ (18.0)</u> | <u>\$ (10.7)</u> |

⁽¹⁾ Pretax unrealized holding gains (losses) arising during the year were \$(1,714.8), \$(102.9), and \$(95.4), for the years ended December 31, 2008, 2007, and 2006, respectively.

⁽²⁾ Pretax reclassification adjustments for gains (losses) and other items included in Net (loss) income were and \$(1,079.4), \$(75.2), and \$(72.0), for the years ended December 31, 2008, 2007, and 2006, respectively.

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15. Changes to Prior Years Presentation

Consolidated Statements of Operations Presentational Changes

During 2008, certain changes were made to the Consolidated Statements of Operations for the year ended 2007 to more accurately reflect the correct balances, primarily related to surrenders on market value adjusted contracts. As the Company has determined these changes to be immaterial, the Consolidated Statements of Operations for the year ended December 31, 2007, has not been labeled as restated. The following table summarizes the adjustments:

| | <u>Previously Reported</u> | <u>Reclassification</u> | <u>Adjusted</u> |
|--------------------------------------------------------|--------------------------------|-------------------------|-----------------|
| 2007 | | | |
| Fee income | \$ 789.3 | \$ (19.4) | \$ 769.9 |
| Net realized capital gains (losses) | (8.2) | (19.4) | (27.6) |
| Other income | 0.9 | 19.4 | 20.3 |
| Total revenue | 2,451.9 | (19.4) | 2,432.5 |
| Interest credited and other benefits to contractowners | 822.2 | (19.4) | 802.8 |
| Total benefits and expenses | 2,177.5 | (19.4) | 2,158.1 |

QUARTERLY DATA (UNAUDITED)

(Dollar amounts in millions, unless otherwise stated)

| 2008 | First (Restated)* | Second | Third | Fourth |
|-----------------------------------|------------------------------|----------------|-------------------|-------------------|
| Total revenue | \$ 560.4 | \$ 538.4 | \$ 469.3 | \$ 166.1 |
| Income (loss) before income taxes | (98.4) | 25.1 | (391.3) | (673.9) |
| Income tax expense (benefit) | (53.8) | 1.9 | (25.1) | (31.3) |
| Net income | <u>\$ (44.6)</u> | <u>\$ 23.2</u> | <u>\$ (366.2)</u> | <u>\$ (642.6)</u> |
| 2007 | First | Second | Third | Fourth |
| Total revenue | \$ 579.1 | \$ 594.9 | \$ 601.4 | \$ 657.1 |
| Income (loss) before income taxes | 100.7 | 115.8 | 85.8 | (27.9) |
| Income tax expense (benefit) | 28.5 | 33.6 | 22.3 | (28.4) |
| Net income | <u>\$ 72.2</u> | <u>\$ 82.2</u> | <u>\$ 63.5</u> | <u>\$ 0.5</u> |

*The Company has restated its previously issued unaudited interim financial statements for the three months ended March 31, 2008 due to an error in the calculation of the fair value of the reserves for product guarantees for annuity contracts containing guaranteed credited rates. The effect of the restatement on these prior period interim financial statements for the three months ended March 31, 2008 was to increase the net loss by \$18.9.

