

ING Life Insurance and Annuity Company

Variable Annuity Account C

ING Flexible Income

CONTRACT PROSPECTUS – APRIL 30, 2012

The Contract. The contract described in this prospectus is a fixed or variable, group and/or individual immediate annuity contract issued by ING Life Insurance and Annuity Company (the “Company,” “we,” “us” and “our”). The contract is available as an internal exchange from certain existing annuity contracts issued by the Company or certain of its affiliates, and to any participants in a retirement plan where the plan sponsor has purchased a group master contract (whether or not connected with an internal exchange). We may also issue contracts directly without a relationship to an existing Company contract or a retirement plan. The contract may be issued as either a nonqualified contract, or as a qualified contract for use with a traditional Individual Retirement Annuity (“IRA”) under section 408(b) of the Internal Revenue Code of 1986, as amended (“Tax Code”) or with retirement plans under Tax Code sections 401, 403(b) or 457. Contracts sold in New York are not available to 457 plans.

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

Investment Options. The contract offers variable investment options and a fixed dollar option. When you purchase the contract, your purchase payment will be applied to the investment options you select. Some investment options may be unavailable through your contract, your plan or in your state.

The Funds

| | |
|--|---|
| Calvert VP SRI Balanced Portfolio | ING Money Market Portfolio (Class I) |
| Fidelity® VIP Contrafund® Portfolio (Initial Class) | ING Oppenheimer Global Portfolio (Class I) |
| Fidelity® VIP Equity-Income Portfolio (Initial Class) | ING PIMCO Total Return Portfolio (Class S) |
| Fidelity® VIP Growth Portfolio (Initial Class) | ING Pioneer Fund Portfolio (Class I) |
| Franklin Small Cap Value Securities Fund (Class 2) | ING Pioneer High Yield Portfolio (Class I) |
| ING American Century Small-Mid Cap Value Portfolio (Class S) | ING Pioneer Mid Cap Value Portfolio (Class I) |
| ING Balanced Portfolio (Class I) | ING Russell™ Large Cap Growth Index Portfolio (Class I) |
| ING Baron Growth Portfolio (Class S) ⁽¹⁾ | ING Russell™ Large Cap Index Portfolio (Class S) |
| ING BlackRock Large Cap Growth Portfolio (Class I) | ING Small Company Portfolio (Class I) ⁽²⁾ |
| ING Clarion Real Estate Portfolio (Class I) | ING Strategic Allocation Conservative Portfolio (Class I) ⁽³⁾ |
| ING Davis New York Venture Portfolio (Class S) | ING Strategic Allocation Growth Portfolio (Class I) ⁽³⁾ |
| ING Global Bond Portfolio (Class I) | ING Strategic Allocation Moderate Portfolio (Class I) ⁽³⁾ |
| ING Growth and Income Portfolio (Class I) | ING T. Rowe Price Diversified Mid Cap Growth Portfolio (Class I) |
| ING Index Plus LargeCap Portfolio (Class I) | ING T. Rowe Price Equity Income Portfolio (Class S) |
| ING Index Plus MidCap Portfolio (Class I) | ING T. Rowe Price Growth Equity Portfolio (Class I) |
| ING Index Plus SmallCap Portfolio (Class I) | ING Templeton Foreign Equity Portfolio (Class I) |
| ING Intermediate Bond Portfolio (Class I) | ING Thornburg Value Portfolio (Class I) |
| ING International Index Portfolio (Class I) | ING UBS U.S. Large Cap Equity Portfolio (Class I) |
| ING International Value Portfolio (Class I) | Invesco V.I. Core Equity Fund (Series I) |
| ING Invesco Van Kampen Comstock Portfolio (Class S) | Invesco Van Kampen V.I. American Franchise Fund (Series I) |
| ING Invesco Van Kampen Equity and Income Portfolio (Class I) | Lord Abbett Series Fund - Mid-Cap Stock Portfolio ⁽¹⁾ (Class VC) |
| ING JPMorgan Mid Cap Value Portfolio (Class S) | |
| ING Large Cap Growth Portfolio (Class I) | |
| ING Large Cap Value Portfolio (Class I) | |

⁽¹⁾ This fund has changed its name to the name listed above. See **APPENDIX II – DESCRIPTION OF UNDERLYING FUNDS** for a complete list of former and current fund names.

⁽²⁾ ING Small Company Portfolio is only available to plans offering the fund prior to April 29, 2011.

⁽³⁾ These funds 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 – APRIL 30, 2012 (CONTINUED)

Variable Income Payments. If you select variable income payments, the amount of your variable income payments will vary based on the performance of the variable investment options that you select. 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 (the “funds”) listed on the previous page. Subaccount performance 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. Information about the risks of investing in the funds is located in the “INVESTMENT OPTIONS” section on page 11 and in each fund prospectus. Read this prospectus in conjunction with the fund prospectuses, and retain the prospectuses for future reference.

Fixed Income Payments. If you select fixed income payments, the amount of your fixed income payment amount will not vary. Except as specifically mentioned, this prospectus describes only the variable investment options. However, we describe the fixed dollar option in **APPENDIX I** of this prospectus.

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. If you have received a summary prospectus for any of the funds available through your contract, you may obtain a full prospectus and other fund information free of charge by either accessing the internet address, calling the telephone number or sending an email request to the email address shown on the front of the fund’s summary prospectus. You may obtain the April 30, 2012 Statement of Additional Information (“SAI”) about the separate account free of charge by indicating your request on your application or enrollment form, calling us at 1-800-238-6273 or writing to us at the address referenced under **“CONTRACT OVERVIEW - Questions: Contacting the Company”** section of the prospectus. You may also obtain a prospectus or an SAI for any of the funds by calling that number. This 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 operation 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, D.C. 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 333-109622. The SAI table of contents is listed on page 43 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 than that contained in this prospectus.

The contracts are not deposits with, obligations of or guaranteed or endorsed by any bank, nor are they insured by the Federal Deposit Insurance Corporation (“FDIC”). The contracts are subject to investment risk, including the possible loss of the principal amount of your investment.

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CONTRACT OVERVIEW

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

Contract Design

The contract described in this prospectus is a fixed and/or variable, group or individual immediate annuity contract. It is designed for individuals who would like regular income payments from an annuity contract.

Who's Who

Contract Holder: The person or plan to whom we issue an individually owned contract, or the plan to which we issue a group master contract. We may also refer to the contract holder as the contract owner.

You (the "Participant"): The individual who owns an individual contract, participates in a group master contract, or who receives income payments in connection with an individual contract owned by a plan sponsor.

We (the "Company"): ING Life Insurance and Annuity Company. We issue the contract.

For greater detail, please review **"CONTRACT PURCHASE AND PARTICIPATION."**

The Contract and Your Retirement Plan

We may offer this contract to employees or other individuals in connection with a retirement plan.

Plan Type. We refer to a retirement plan by the Tax Code section under which it qualifies. For example: a "457 plan" is a plan that qualifies for tax treatment under Tax Code section 457. We are not a party to the plan, so the terms and the conditions of the contract and the plan may differ.

Use of an Annuity Contract in Your Plan. 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 retirement account (such as a 401, 403(b), 408(b) or 457 retirement plan), 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 tax qualified account itself. Annuities do provide other features and benefits (such as 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. See **"CONTRACT PURCHASE AND PARTICIPATION."**

Contract Rights

For individual and group master contracts issued in connection with 401 and 457 plans, the plan sponsor is the contract holder and holds the rights under the contract. Section 401 and 457 plan sponsors may allow their participants to exercise certain limited contract rights. For example, a section 401 or 457 plan sponsor has the right to make investment selections, but may permit their individual participants to exercise that right. For individual contracts issued on a nonqualified basis and those issued in connection with 408(b) and most 403(b) retirement plans, the individual is the contract holder and holds all contract rights. In situations where an individual or group master contract is issued to the plan sponsor of a 403(b) plan, the participant generally holds all contract rights. However, pursuant to Treasury Department regulations that were generally effective on January 1, 2009, the exercise of certain of these rights may require the consent and approval of the contract holder or its delegate. We reserve the right to modify the contracts to comply with these regulations where allowed, or where required by law. See **"TAX CONSIDERATIONS - Distributions – Eligibility – 403(b) Plans."**

Questions: Contacting the Company

To answer your questions, contact your sales representative or write or call our Customer Service Center at:

ING
Attention: Payout
Services
One Orange Way
Windsor, CT 06095-
4774
1-800-238-6273

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 your sales representative or write or call us to learn what information is required 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 requests that are received in good order.

Contract Facts

Income Payment Options. You may select from a number of features for your payments including but not limited to: duration, number of payees, payments to beneficiaries, guaranteed minimum payment amount, and variable or fixed payments. Some features require payment of additional fees. See **“INCOME PAYMENTS.”**

Free Look/Right to Cancel. The contract holder may cancel the contract no later than within 10 days of receipt (some states require more than 10 days). Participants in 403(b) plans and some 401 plans may cancel their participation in a group contract no later than 10 days after they receive evidence of participation in the contract. See **“RIGHT TO CANCEL.”**

Death Benefit. If any guaranteed income payments remain to be paid at the time of the death of the annuitant or both annuitants, if applicable, they may be paid to your beneficiary. See **“DEATH BENEFIT.”**

Withdrawals. Some income payment options allow you to withdraw a portion or all of any remaining guaranteed payments. An early withdrawal charge may apply. See **“WITHDRAWALS.”**

Fees. Certain fees associated with the contract will reduce income payments. See **“FEE TABLE”** and **“FEES.”**

Taxation. The Tax Code has certain rules that apply to amounts distributed under the contract. Tax penalties may apply if rules are not followed. See **“TAX CONSIDERATIONS.”**

FEE TABLE

The following tables describe the fees and expenses that you will pay when buying, owning, and surrendering the contract.

The tables and examples in this section show the fees that may affect the amount of variable income payments. For fees applicable to fixed income payments, see APPENDIX I. See “FEES” for additional information. The fees shown below do not reflect any state premium tax that may apply.*

Maximum Transaction Expenses

Early Withdrawal Charge

(As a percentage of the present value of remaining guaranteed income payments withdrawn)⁽¹⁾

Early Withdrawal Charge Schedule⁽²⁾

| <u>Number of Years from Contract Effective Date⁽³⁾</u> | <u>Early Withdrawal Charge</u> |
|---|--------------------------------|
| Fewer than 1 | 7% |
| 1 or more but fewer 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% |

In this Section:

- Maximum Transaction Expenses;
- Maximum Periodic Fees and Charges;
- Fund Fees and Expenses; and
- Examples.

See the “FEES” Section for:

- Transaction Fees;
- Redemption Fees;
- Fees Deducted from Investments in the Separate Account; and
- Reduction or Elimination of Certain Fees.

* State premium taxes (which currently range from 0% to 3.5% of premium payments) may apply, but are not reflected in the fee tables or examples. See “FEES - Premium and Other Taxes.”

(1) Although the maximum early withdrawal charge is 7% of the remaining guaranteed income payments withdrawn, the total early withdrawal charge deducted will not exceed 8.5% of your purchase payment to the contract. See “FEES - Early Withdrawal Charge.”

(2) Not all contracts permit withdrawals. Under certain contracts withdrawals are not allowed during the first year. See “WITHDRAWALS.”

(3) For participants under a group contract, the early withdrawal charge will be calculated based upon the number of years from the certificate effective date. For amounts transferred into this contract as a result of an internal exchange, see “FEES.”

Maximum Period Fees and Charges

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.

Maximum Fees Deducted from the Subaccounts. (Daily deductions, equal to the following percentages on an annual basis, from amounts invested in the subaccounts.)

For Contracts Without the Guaranteed Minimum Income Feature:

| | <u>Maximum Charge</u> | <u>Current Charge</u> |
|--|-----------------------|-----------------------|
| Mortality and Expense Risk Charge | 1.25% | 0.95% |
| Administrative Expense Charge ⁽⁴⁾ | <u>0.25%</u> | <u>0.00%</u> |
| Total Separate Account Expenses | <u>1.50%</u> | <u>0.95%</u> |

For Contracts With the Five-Year Guaranteed Minimum Income Feature:

| | <u>Maximum Charge</u> | <u>Current Charge</u> |
|---|-----------------------|-----------------------|
| Mortality and Expense Risk Charge | 1.25% | 0.95% |
| Administrative Expense Charge ⁽⁴⁾ | 0.25% | 0.00% |
| Five-Year Guaranteed Minimum Income Charge ⁽⁵⁾ | <u>1.00%</u> | <u>1.00%</u> |
| Total Separate Account Expenses | <u>2.50%</u> | <u>1.95%</u> |

Fund Fees and Expenses

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

| | Minimum | Maximum |
|---|----------------|----------------|
| Total Annual Fund Operating Expenses | | |
| (expenses that are deducted from fund assets, including management fees, distribution and/or service (12b-1) fees, and other expenses): | 0.34% | 1.46% |

See the "FEES" – Fund Fees and Expenses" section of this prospectus for additional information about the fees and expenses of the funds, including information about the revenue we may receive from each of the funds or the funds' affiliates.

⁽⁴⁾ We currently do not impose an administrative expense charge; however, we reserve the right to impose this charge for new contracts and to deduct a daily charge from the subaccounts equivalent to not more than 0.25% annually.

⁽⁵⁾ This charge terminates after five years.

Examples

The following examples are intended to help you compare the costs of investing in the contract with the cost of investing in other variable annuity contracts. For each type of contract, these costs include maximum contract holder transaction expenses, maximum separate account annual expenses, and fund fees and expenses applicable to that type of contract.

Maximum Fund Fees and Expenses Examples. The following Examples assume that you invest \$10,000 in the contract and that your investment has a 5% return each year. For the purpose of these Examples, we deducted the **maximum** total annual fees and expenses of any of the funds available for each type of contract and the maximum charges under the contract (i.e., a maximum mortality and expense risk charge of 1.25% annually, an administrative expense charge of 0.25% annually, and the guaranteed minimum income charge of 1.00% annually for the first five years, as applicable) and assume you have selected the “nonlifetime-guaranteed payments” income payment option for a 15 year period with a 3.5% assumed annual net return rate.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

| | (A) If you withdraw your remaining guaranteed payments at the end of the periods shown, you would pay the following fees, including any applicable early withdrawal charge: | | | | (B) If you do not withdraw your remaining guaranteed payments, you would pay the following fees at the end of the periods shown (no early withdrawal charge is reflected): | | | |
|---|---|----------------|----------------|-----------------|--|----------------|----------------|-----------------|
| | <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> |
| Applicable to contracts <i>without</i> the guaranteed minimum income feature | \$905 | \$1,319 | \$1,738 | \$3,151 | \$298 | \$904 | \$1,525 | \$3,151 |
| Applicable to contracts <i>with</i> the five-year guaranteed minimum income feature | \$956 | \$1,471 | \$1,991 | \$3,141 | \$352 | \$1,063 | \$1,784 | \$3,141 |

Minimum Fund Fees and Expenses Examples. The following Examples assume that you invest \$10,000 in the contract and that your investment has a 5% return each year. For the purpose of these Examples, we deducted the **minimum** total annual fees and expenses of any of the funds available for each type of contract and the maximum charges under the contract (i.e., a maximum mortality and expense risk charge of 1.25% annually, an administrative expense charge of 0.25% annually, and the guaranteed minimum income charge of 1.00% annually for the first five years, as applicable) and assume you have selected the “nonlifetime-guaranteed payments” income payment option for a 15 year period with a 3.5% assumed annual net return rate.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

| | (A) If you withdraw your remaining guaranteed payments at the end of the periods shown, you would pay the following fees, including any applicable early withdrawal charge: | | | | (B) If you do not withdraw your remaining guaranteed payments, you would pay the following fees at the end of the periods shown (no early withdrawal charge is reflected): | | | |
|---|---|----------------|----------------|-----------------|--|----------------|----------------|-----------------|
| | <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> |
| Applicable to contracts <i>without</i> the guaranteed minimum income feature | \$800 | \$1,000 | \$1,199 | \$2,072 | \$186 | \$571 | \$975 | \$2,072 |
| Applicable to contracts <i>with</i> the five-year guaranteed minimum income feature | \$894 | \$1,285 | \$1,682 | \$2,513 | \$286 | \$869 | \$1,468 | \$2,513 |

CONDENSED FINANCIAL INFORMATION

Understanding Condensed Financial Information. In APPENDIX IV of this prospectus, we provide condensed financial information about the separate account subaccounts you may invest in through the contract. The numbers show the year-end unit values of each subaccount from the time purchase payments were first received in the subaccount under the contract.

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.

THE COMPANY

ING Life Insurance and Annuity Company (the “Company,” “we,” “us” and “our”) 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 Holdings Inc. All guarantees and benefits provided under the contracts that are not related to the separate account are subject to the claims paying ability of the Company and our general account.

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.

As part of a restructuring plan approved by the European Commission, ING has agreed to separate its banking and insurance businesses by 2013. ING intends to achieve this separation by divestment of its insurance and investment management operations, including the Company. ING has announced that it will explore all options for implementing the separation including initial public offerings, sales or a combination thereof. On November 10, 2010, ING announced that ING and its U.S. insurance affiliates, including the Company, are preparing for a base case of an initial public offering (“IPO”) of the Company and its U.S.-based insurance and investment management affiliates.

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 Matters. As with many financial services companies, the Company and its affiliates periodically receive informal and formal requests for information from various state and federal governmental agencies and self-regulatory organizations in connection with examinations, inquiries, investigations and audits of the products and practices of the Company or the financial services industry. These currently include an inquiry regarding the Company’s policy for correcting errors made in processing trades for ERISA plans or plan participants. Some of these investigations, examinations, audits and inquiries could result in regulatory action against the Company. The potential outcome of the investigations, examinations, audits, inquiries and any such regulatory action is difficult to predict but could subject the Company to adverse consequences, including, but not limited to, additional payments to plans or participants, disgorgement, settlement payments, penalties, fines, and other financial liability and changes to the Company’s policies and procedures, the financial impact of which cannot be estimated at this time, but management does not believe will have a material adverse effect on the Company’s financial position or results of operations. It is the practice of the Company and its affiliates to cooperate fully in these matters.

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, including state insurance regulators, state securities administrators, the SEC, the Financial Industry Regulatory Authority (“FINRA”), the Department of Labor and the Internal Revenue Service (“IRS”). For example, U.S. federal income tax law imposes certain requirements relating to product design, administration and investments that are conditions for beneficial tax treatment of such products under the Tax Code. **See “TAX CONSIDERATIONS,” for further discussion of some of these requirements.** Failure to administer certain product features could affect such beneficial tax treatment. In addition, state and federal securities and insurance laws impose requirements relating to insurance 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 imposed by a particular governmental or self regulatory authority and unanticipated claims and costs associated with remedying such failure. Additionally, such failure could harm the Company’s reputation, interrupt the Company’s operations or adversely impact profitability.

CONTRACT PURCHASE AND PARTICIPATION

Contracts Available for Purchase. The contract is designed for persons who would like to receive regular income payments from an annuity contract. The contract is available as an internal exchange from certain existing annuity contracts issued by the Company or certain of its affiliates, and to any participants in a retirement plan where the plan sponsor has purchased a group master contract (whether or not connected with an internal exchange). We may also issue contracts directly without a relationship to an existing Company contract or a retirement plan. The contract is available as either a nonqualified contract or as a qualified contract for use with a traditional IRA under section 408(b) of the Tax Code or with retirement plans qualifying under Tax Code sections 401, 403(b) or 457. Contracts sold in New York are not available to 457 plans. Availability as a group contract is subject to state approval. We reserve the right to limit purchase of an individual nonqualified contract to natural persons.

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.

ERISA Notification. We must be notified by the employer or plan trustee if the contract is offered in connection with a 403(b) or 401 plan that is subject to Title I of the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended.

How to Purchase. You may purchase the contract by submitting your purchase payment and the required application or enrollment forms to us.

Purchase Payment Amount. To purchase a contract you must make one payment of at least \$10,000. After your initial payment, no additional purchase payments may be made. We reserve the right to lower the minimum required payment, to establish a maximum payment amount and to reject any payment exceeding the maximum.

Acceptance or Rejection. We must accept or reject your application or enrollment materials within two business days of receipt. If the forms are incomplete, we may hold any forms and accompanying purchase payment for five business days pending completion. In all cases, we may hold a purchase payment for longer periods with your permission. If we reject your application or enrollment, we will return the forms and any purchase payment.

Age Requirements. The maximum issue age is between 80 and 95, depending upon the income payment option and features selected. We reserve the right to modify the maximum issue age.

Allocation of Your Purchase Payment to the Investment Options. We will allocate your purchase payment, less any applicable premium taxes, among the investment options you select. Generally, the contract holder, or you if permitted by the plan, may select no more than 25 investment options at initial enrollment. Thereafter, more options can be selected at any one time. You may also select the fixed dollar option and allocate all or a portion of your purchase payment to the general account. **See “INVESTMENT OPTIONS.”** Allocations must be in whole percentages. Any purchase payment received before we accept the application or enrollment materials will be invested as of the day we do accept them.

Factors to Consider in the Purchase Decision. The decision to purchase or participate in the contract should be discussed with your sales representative. Make sure that you understand the investment options it provides, its other features, the risk 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:

- **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;
- **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;
- **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; and
- **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 or mutual fund option under the plan, you should compare the two options 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.

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 other options available, and, if you are interested in learning more about these other products, contact your registered representative. These other options may not be available under your plan.

RIGHT TO CANCEL

When and How to Cancel. The contract holder may cancel the contract within 10 days of receipt (some states require more than 10 days) by returning it, or the document showing your participation under a group contract, to our Customer Service Center along with a written notice of cancellation. For contracts issued in connection with 401 or 457 plans, the contract holder may follow these procedures on behalf of the participant.

Refunds. On the day we receive the request for cancellation in good order, we will calculate your contract value. Your refund will equal that value and will reflect deduction of any income payments made. This amount may be more or less than your purchase payment. In certain states (or if you have purchased the contract as an IRA), we may be required to return your entire purchase payment. We will issue your refund within seven calendar days of our receipt of your request in good order.

INVESTMENT OPTIONS

When you purchase the contract, your purchase payment (less any applicable premium tax) will be applied to the investment options you select. If you select variable investment options, you will receive variable income payments. If you select the fixed dollar option, you will receive fixed income payments. If you select one or more variable investment options and the fixed dollar option, a portion of your payment will vary and a portion will remain fixed.

Variable Investment Options

These options are called subaccounts of Variable Annuity Account C. Each subaccount invests directly in shares of a corresponding mutual fund and earnings on amounts invested in the subaccount will vary depending upon the performance and fees of its underlying fund.. You do not invest directly in or hold shares of the funds.

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 variable annuity contracts. The separate account is registered as a unit investment trust under the Investment Company Act of 1940 (the “1940 Act”). It also meets the definition of separate account under the federal securities laws.

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 the Company. All obligations arising under the contract are obligations of the Company.

Funds Available Through the Separate Account

The separate account is divided into “subaccounts.” Each subaccount invests directly in shares of a corresponding fund. The funds available through the subaccounts of the separate account are listed in the front of this prospectus. We also provide brief descriptions of each fund in **APPENDIX II**. 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 FDIC or any other government agency. Unless otherwise noted, all funds are diversified as defined under the 1940 Act. 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.

Risks of Investing in the Funds

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. In other words:

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

Possible Conflicts of Interest. It is possible that a conflict of interest may arise due to mixed and/or shared funding, which 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 to identify any conflicts which may arise and to determine what action, if any, should be taken to address such conflicts.

For additional risks associated with each fund, please see the fund’s prospectus.

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. 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.

We may restrict or eliminate any voting rights of persons who have voting rights as to the separate account.

Right to Change the Separate Account

Subject to state and federal law and the rules and regulations thereunder, we may, from time to time, make any of the following changes to the separate account with respect to some or all classes of contracts:

- Offer additional subaccounts that will invest in funds we find appropriate for contracts we issue;
- Combine two or more subaccounts;
- Close subaccounts. We will provide advance notice by a supplement to this prospectus if we close a subaccount. If a subaccount is closed or otherwise is unavailable for new investment, unless we receive alternative allocation instructions, all future amounts directed to the subaccount that was closed or is unavailable may be automatically allocated among the other available subaccounts according to the most recent allocation instructions we have on file. If the most recent allocation instructions we have on file do not include any available subaccounts, we must be provided with alternative allocation instructions. Alternative allocation instructions can be given by contacting us at the address and telephone number listed in “**CONTRACT OVERVIEW - Questions: Contacting the Company**”;
- Substitute a new fund for a fund in which a subaccount currently invests. In the case of a substitution, the new fund may have different fees and charges than the fund it replaced. A substitution may become necessary if, in our judgment:
 - ▷ A fund no longer suits the purposes of your contract;
 - ▷ There is a change in laws or regulations;
 - ▷ There is a change in the fund's investment objectives or restrictions;
 - ▷ The fund is no longer available for investment; or
 - ▷ Another reason we deem a substitution is appropriate.
- Stop selling the contract;
- Limit or eliminate any voting rights for the separate account; or
- Make any changes required by the 1940 Act or its rules or regulations.

We will not make a change until the change is disclosed in an effective prospectus or prospectus supplement, authorized, if necessary, by an order from the SEC and approved, if necessary, by the appropriate state insurance department(s).

The changes described above do not include those changes that may, if allowed under your plan, be initiated by your plan sponsor.

Selecting Investment Options

When 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; and
- **Be informed.** Read this prospectus, the fund prospectuses and the Fixed Dollar Option appendix in this prospectus.

Furthermore, be aware that there may be:

- **Limits on Availability of Options.** Some funds may be unavailable through your contract or plan or in some states. Your plan sponsor may also have selected a subset of variable investment and/or fixed interest options to be available under your plan;
- **Transfers Among Variable Investment Options.** You may transfer amounts among the available subaccounts. The Company reserves the right to limit such transfers to 12 in any calendar year and to establish a minimum transfer amount. Transfers are not allowed into or out of the fixed dollar option; and
- **Transfer Requests.** Requests may be made, after the contract is issued, 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 and participants.

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 or participate in 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, or participants in such 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 12 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 12 month period, we will send them a letter warning that another purchase and sale of that same fund within 12 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, or participants in such 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, participants, and fund investors, and/or state or federal regulatory requirements. If we modify our policy, it will be applied uniformly to all contract owners and participants or, as applicable, to all contract owners and participants 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 Underlying 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 and participant 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 and participant transactions, including but not limited to information regarding fund transfers initiated by you. In addition to information about contract owner and participant transactions, this information may include personal contract owner and participant 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 or participant's transactions if the fund determines that the contract owner or participant has violated the fund's excessive/frequent trading policy. This could include the fund directing us to reject any allocations of purchase payments or account value to the fund or all funds within the fund family.

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.

FEES

The following repeats and adds to information provided under “**FEE TABLE.**” Please review both sections for information on fees.

Transaction Fees

Early Withdrawal Charge

Withdrawals of all or a portion of the present value of remaining guaranteed income payments may be subject to an early withdrawal 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. Not all contracts permit withdrawals. See “**WITHDRAWALS.**”

Amount: The charge is a percentage of the present value of any remaining guaranteed payments that you withdraw. The percentage will be determined by the early withdrawal charge schedule applicable to your contract. Although the maximum early withdrawal charge is 7% of the remaining guaranteed payments withdrawn, the total early withdrawal charge will never be more than 8.5% of your purchase payment to the contract.

Early Withdrawal Charge Schedule:

| Number of Years from Contract Effective Date* | Early Withdrawal Charge |
|---|-------------------------|
| Fewer than 1** | 7% |
| 1 or more but fewer 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% |

* For participants under a group contract, the early withdrawal charge will be calculated based on the number of years from the certificate effective date. For amounts transferred into this contract as an internal exchange, see “Internal Exchanges” below.

** Certain contracts do not allow withdrawals during the first contract year.

When/How. At the time of withdrawal we deduct this charge from the amount withdrawn.

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.

Internal Exchanges. In the case of amounts transferred from a prior contract or other arrangement issued or administered by the Company or certain of its affiliates, the “Number of Years from Contract Effective Date” is calculated from the date of the first premium payment made under the individual’s account under the prior contract or if earlier, the effective date of the individual’s account under the prior contract or other arrangement. There is no surrender charge under this contract on amounts transferred or rolled over as an internal transfer when the prior contract or arrangement imposed a front end load, there was no applicable surrender charge under the prior contract or arrangement, or if the prior contract or arrangement would not have assessed a surrender charge if the money had been transferred to a contract issued by a non-affiliated company.

Types of Fees

The following types of fees and deductions associated with the contract may affect the amount of your variable income payments. For fees applicable to fixed payments see **APPENDIX I.**

- Transaction Fees
 - ▷ Early Withdrawal Charge
 - ▷ Redemption Fees
- Fees Deducted from Investments in the Separate Account
 - ▷ Mortality and Expense Risk Charge
 - ▷ Administrative Expense Charge
 - ▷ Five-Year Guaranteed Minimum Income Charge
- Reduction or Elimination of Certain Fees
- Fund Fees and Expenses
 - ▷ Revenue from the Funds
 - ▷ Fund of Funds
- Premium and Other Taxes

Redemption Fees

Certain funds may impose redemption fees as a result of withdrawals, transfers, or other fund transactions you initiate. If applicable, we would 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 and remit such fees back to that fund. Redemption fees, if any are separate and distinct from any transaction charges or other charges deducted from your account 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: 1.25% annually of values invested in the subaccounts. We currently charge 0.95% annually.

When/How. We deduct this charge daily from the subaccounts corresponding to the funds you select.

Purpose. This charge compensates us for the mortality and expense risks we assume under the contract. It consists of the following risks:

- The mortality risks are those risks associated with our promise to make lifetime income payments based on annuity rates specified in the contract; and
- 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 earn a profit from this charge.

Administrative Expense Charge

Maximum Amount: We currently do not charge an administrative expense charge. We reserve, however, the right to charge up to 0.25% annually of values invested in the subaccounts.

When/How. If imposed, we deduct this charge daily from the subaccounts corresponding to the funds you select.

Purpose. This charge helps defray our administrative expenses. This charge is not intended to exceed the average expected cost of administering the contract. We do not expect to earn a profit from this charge.

Five-Year Guaranteed Minimum Income Charge

This additional charge is assessed only if you select the five-year guaranteed minimum income feature.

Amount: 1.00% annually of values invested in the subaccounts until the five-year guarantee period has ended.

When/How. We deduct this charge daily from the subaccounts corresponding to the funds you select. This charge will be assessed only during the first five contract years.

Purpose. This charge compensates us for the additional mortality and expense risks we assume by guaranteeing minimum income payments. For additional information regarding those risks, see “**Mortality and Expense Risk Charge - Purpose**” in this section.

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 administration expenses, we may reduce or eliminate the early withdrawal charge or mortality and expense risk charge. Our decision to reduce or eliminate either of these charges will be based on one or more of the following:

- The size and type of group of individuals to whom the contract is issued;
- A prior or existing relationship with the Company, such as being an employee or former employee of the Company or one of its affiliates, receiving distributions or making transfers from other contracts or arrangements offered by us or one of our affiliates, or transferring amounts held under qualified plans sponsored by the Company or an affiliate; or
- The type and frequency of administrative and sales services to be provided.

The reduction or elimination of any of these charges 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 charges may be subject to state approval.

Fund Fees and Expenses

As shown in the fund prospectuses and described in the “**FEE TABLE - Fund Fees and Expenses**” section of this prospectus, each fund deducts management/investment advisory 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. Fund fees and expenses 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. Fund fees and expenses are one factor that impacts the value of a fund’s shares. **To learn more about fund fees and expenses, the additional factors that can affect the value of a fund’s shares and other important information about the funds, refer to the fund prospectuses.**

Less expensive share classes of the funds offered through this contract may be available for investment outside of this contract. You should evaluate the expenses associated with the funds available through this contract before making a decision to invest.

Revenue from the Funds

The Company may receive compensation from each of the funds or the funds’ affiliates. 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.

The amount of revenue the Company may receive from each of the funds or from the funds’ affiliates may be substantial, 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.**

Assets allocated to affiliated funds, meaning funds managed by Directed Services LLC, ING Investments, LLC or another Company affiliate, generate the largest dollar amount of revenue for the Company. Affiliated funds may also be subadvised by a Company affiliate or by an unaffiliated third party. Assets allocated to unaffiliated funds, meaning funds managed by an unaffiliated third party, generate lesser, but still substantial dollar amounts of revenue for the Company. The Company expects to earn a profit from this revenue to the extent it exceeds the Company’s expenses, including the payment of sales compensation to our distributors.

Revenue Received from Affiliated Funds. The revenue received by the Company from affiliated funds may be deducted from fund assets and include:

- A share of the management fee;
- Service fees;
- For certain share classes, compensation paid from 12b-1 fees; 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.

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. The sharing of the management fee between the Company and the affiliated investment adviser does not increase, directly or indirectly, fund fees and expenses. The Company may also receive additional compensation in the form of intercompany payments from an affiliated fund's investment adviser or the investment adviser's parent in order to allocate revenue and profits across the organization. The intercompany payments and other revenue received from affiliated funds provide the Company with a financial incentive to offer affiliated funds through the contract rather than unaffiliated funds.

Additionally, in the case of affiliated funds subadvised by third parties, no direct payments are made to the Company or the affiliated investment adviser by the subadvisers. However, subadvisers may provide reimbursement for employees of the Company or its affiliates to attend business meetings or training conferences.

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.

The revenue received by the Company or its affiliates from unaffiliated funds may be deducted from fund assets and may include:

- Service fees;
- For certain share classes, compensation paid from 12b-1 fees; and
- Additional payments for administrative, recordkeeping or other services that 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's prospectus. These additional payments may be used by us to finance distribution of the contract.

If the unaffiliated fund families currently offered through the contract that made cash payments to us were individually ranked according to the total amount they paid to the Company or its affiliates in 2011, in connection with the registered variable annuity contracts issued by the Company, that ranking would be as follows:

- | | |
|------------------------------------|-----------------------|
| • Fidelity Investments® | • Invesco Investments |
| • Franklin® Templeton® Investments | • Calvert Funds |
| • Lord Abbett Funds | |

If the revenues received from the affiliated funds were taken into account when ranking the funds according to the total dollar amount they paid to the Company or its affiliates in 2011, the affiliated funds 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.

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. **See also "CONTRACT DISTRIBUTION."**

Fund of Funds

Certain funds may be structured as "fund of funds" or "Master-Feeder" funds. 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. Some of 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 fund and its corresponding underlying fund or funds. These funds are identified in the investment option list in the front of this prospectus.

Premium and Other Taxes

Maximum Amount. Some states and municipalities charge a premium tax on annuities. These taxes currently range from 0% to 3.5%, depending upon the jurisdiction.

When/How. Our current practice is to reflect the cost of premium taxes in our income payment rates. We reserve the right, however, to deduct a charge for premium taxes from your purchase payment on the contract effective date. 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 “**TAX CONSIDERATIONS.**”

CALCULATING VARIABLE INCOME PAYMENTS

The amount of any variable income payment is determined by multiplying the number of annuity units that you hold by an annuity unit value (“AUV”) for each unit.

Annuity Units. When you select variable income payments, your initial purchase payment purchases annuity units of the separate account subaccounts corresponding to the funds you select. The number of units purchased is based on your purchase payment amount and the value of each unit on the day the purchase payment is invested. Generally, the number of units will not vary over the life of the contract, but the value of each unit will vary daily based on the performance of the underlying fund and deduction of fees. Some events may result in a change in the number of units, including withdrawals, death of an annuitant if a reduction in payment to a surviving annuitant was selected, transfers among subaccounts, or a change in a guaranteed payment period. While the number of units may change if you transfer among subaccounts or make a change in a guaranteed payment period, the current value of your contract will not change as a result of either of these events.

Annuity Unit Value (“AUV”). The value of each annuity unit in a subaccount is called the annuity unit value or AUV. The AUV varies daily in relation to the underlying fund’s investment performance. The value also reflects daily deductions for fund fees and expenses, the mortality and expense risk charge, the administrative expense charge (if any), and the guaranteed minimum income charge (if applicable). 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 (“NYSE”) (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 return factor of the subaccount, and by a factor to reflect the assumed annual net return rate. The net return factor measures the investment performance of the subaccount from one valuation to the next. The assumed annual net return rate will be either 3.5% or 5%, as you select. **Currently, we are only offering an assumed annual net return rate of 3.5%.**

$$\text{Current AUV} = \text{Prior AUV} \times \text{Net Return Factor} \times \text{Assumed Annual Net Return Rate Factor}$$

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

The net return 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 the guaranteed minimum income charge (if applicable). See **"FEES."**

The net return rate may be either positive or negative.

WITHDRAWALS

Withdrawals of Variable Income Payments

You may make partial or full withdrawals of the present value of any remaining guaranteed variable income payments if you are receiving payments under either one of the following:

- A lifetime payment option with guaranteed payments and you elected a right to make withdrawals. In this circumstance withdrawals are allowed once each year, beginning after the first contract year (subject to state approval); or
- The nonlifetime payment option.

Partial withdrawals are allowed only if each remaining guaranteed payment will be at least \$50.

Withdrawals of Fixed Income Payments (For additional details see APPENDIX I - FIXED DOLLAR OPTION.)

You may make partial or full withdrawals of the present value of any remaining fixed income payments if you are receiving payments under either one of the following:

- A lifetime payment option with guaranteed payments and you elected a right to make withdrawals. In this circumstance withdrawals are allowed once each year, beginning after the first contract year (subject to state approval); or
- The nonlifetime payment option and you elected a right to make withdrawals. In this circumstance withdrawals are allowed once each year, beginning after the first contract year.

Partial withdrawals are allowed only if each remaining guaranteed payment will be at least \$50.

Withdrawal Value

Variable Income Payments. For any withdrawal of remaining variable guaranteed income payments, the amount available for withdrawal is equal to the present value of any remaining guaranteed variable payments (less any applicable early withdrawal charge) calculated using the same rate we used to calculate the income payments (i.e., the 3.5% or 5% assumed annual net return rate stated in the contract). Withdrawal values are determined as of the valuation date following our receipt of your written request in good order at our Customer Service Center.

Fixed Income Payments. See APPENDIX I for details regarding the withdrawal value of fixed payments.

Amount Received. For partial withdrawals, you will receive, reduced by any required withholding tax, the amount you specify, subject to the value in your account. However, the amount actually withdrawn from your account will be adjusted by any applicable early withdrawal charge and redemption fees.

Early Withdrawal Charge

Withdrawals may be subject to an early withdrawal charge as described in **"FEES - Early Withdrawal Charge,"** and may also be subject to redemption fees as described in **"FEES - Redemption Fees."**

Reduction of Remaining Payments

Any withdrawal will result in a proportionate reduction of any remaining guaranteed payments and any applicable guaranteed minimum payment amount. Additionally, the withdrawal amount will be taken from the subaccounts proportionately, unless you designate otherwise. For lifetime income payment options, any payments to be made beyond the guaranteed payment period will be unaffected by any withdrawals.

DEATH BENEFIT

The following describes the death benefit applicable to variable income payments. These are also outlined under **“INCOME PAYMENTS - Payment Options.”** For information on the death benefit applicable to the fixed dollar option, refer to **APPENDIX I**.

See **“INCOME PAYMENTS”** for a definition of annuitant and beneficiary as used in this section.

Payment of Death Benefit. Upon the death of the annuitant and any surviving joint annuitant, if applicable, a death benefit may be payable if your contract is issued under any of the following income payment options:

1. Life Income - Guaranteed Payments;
2. Life Income - Two Lives - Guaranteed Payments; or
3. Nonlifetime - Guaranteed Payments.

Any death benefit will be paid in the form specified in the contract and will be distributed at least as rapidly as under the method of distribution in effect upon the date of death. See **“TAX CONSIDERATIONS”** for rules where you have elected to delay your payment start date under a nonqualified annuity and you die before the income payment start date. Under payment options 1 and 2 above, a lump-sum payment of the present value of any death benefit may be requested within six months following the date of death. A lump-sum payment may be requested at any time (even after the six month period) if you had elected the right to withdraw. Under payment option 3 above, a lump-sum payment of the present value of any death benefit may be requested at any time. If a lump-sum payment is requested, no early withdrawal charge is applied and payment will be sent within seven calendar days following our receipt of your request in good order.

Calculation of Lump-Sum Payment of the Death Benefit. The value of the lump-sum payment of the death benefit will equal the present value of any remaining guaranteed income payments, calculated using the same rate we used to calculate the income payments (i.e., the 3.5% or 5% assumed annual net return rate used for variable payments). We will calculate this value on the next valuation date following our receipt of proof of death acceptable to us and payment request in good order. Such value will reflect any payments made after the date of death. See **APPENDIX I - Fixed Dollar Option** for information on calculation of a lump-sum payment of the death benefit applicable to the fixed dollar option.

Payment of Death Benefit or Proceeds

Subject to state law conditions and requirements, full payment of the death benefit or proceeds (“Proceeds”) to a beneficiary may be made into an interest bearing retained asset account that is backed by our general account. **The retained asset account is not guaranteed by the FDIC.** The beneficiary may access the entire Proceeds in the account at any time without penalty through a draftbook feature. The Company seeks to make a profit on the account, and interest credited on the account may vary from time to time but will not be less than the minimum rate stated in the supplemental contract delivered to the beneficiary together with the paperwork to make a claim to the Proceeds. Interest earned on the Proceeds in the account may be less than could be earned if the Proceeds were invested outside of the account. Likewise, interest credited on the Proceeds in the account may be less than under other settlement or payment options available through the contract. A beneficiary should carefully review all settlement and payment options available under the contract and are encouraged to consult with a financial professional or tax advisor before choosing a settlement or payment option.

A beneficiary may request additional information about the retained asset account and the draftbook feature or may elect to receive payment of the Proceeds by check rather than through the account’s draftbook feature by contacting us at the address shown in **“CONTRACT OVERVIEW – Questions: Contacting the Company.”**

Who Receives Death Benefit Proceeds? The beneficiary is the person entitled to receive any death benefit proceeds. We will pay any death benefit proceeds based on the last written beneficiary designation on file with us as of the date of death.

Changes in Beneficiary Designations. The designated beneficiary may be changed at any time during the lifetime of the annuitant and the joint annuitant (if applicable). Such change must be submitted to us in writing, and except for contracts issued in New York, will become effective as of the date written notice of the change is received and recorded by us. For contracts issued in New York, the change will become effective as of the date the notice is signed. However, our obligation to pay death benefits will be fully discharged upon payment to the beneficiary named in the written notice of beneficiary designation that we last received as of the date of such payment.

Some restrictions may apply to beneficiary changes under qualified contracts.

INCOME PAYMENTS

Under the contract, we will make regular income payments to you or to a payee you designate in writing.

Initiating Payments. To initiate income payments, you must make the following selections on your application or enrollment form:

- Payment start date;
- Payment frequency (i.e., monthly, quarterly, semi-annually or annually);
- Income payment option and any special features, such as a right to withdraw or the Five-Year Guaranteed Minimum Income Feature*;
- Fixed, variable or a combination of both fixed and variable payments;
- The subaccounts to allocate your purchase payment among (only if variable payments are elected); and
- An assumed annual net return rate (only if variable payments are elected).

*If you select the Five-Year Guaranteed Minimum Income Feature, you may not make any withdrawals.

Your sales representative can help you consider what selections may be appropriate for your financial goals. Generally, your selections may not be changed after the contract is issued. Some changes, such as transfers among subaccounts, may be allowed. Payments need to conform to minimum distribution requirements if applicable.

What Affects Income Payment Amounts? Some of the factors that may affect the amount of your income payments include your age, gender, the amount of your purchase payment, the income payment option selected, the number of guaranteed income payments selected (if any), whether you select fixed, variable or a combination of both fixed and variable payments, and, for variable payments, the assumed annual net return rate selected.

Payment Due Dates. You will generally receive your first income payment on the last day of the selected payment period. For example, if you elect to receive one payment a year, we will make the payment on the day before the anniversary of the contract effective date. An alternative first payment date may be elected subject to our approval and in compliance with the Tax Code and regulations thereunder.

Minimum Payment Amounts. For all payment options, the initial income payment must be at least \$50 per month, or total yearly payments of at least \$250.

Fixed Income Payments. If you select fixed payments, your purchase payment will be applied to the fixed dollar option and the amount of your payments will not vary. Except where noted, this prospectus describes only the variable investment options. The fixed dollar option is described in **APPENDIX I**.

Assumed Annual Net Return Rate. If you select variable income payments we will apply an assumed annual net return rate of 3.5%. We reserve the right to also offer an assumed annual net return rate of 5%, in which case, you must select an assumed annual net return rate of either 5% or 3.5%. If you do not select an assumed annual net return rate, the default will be a 3.5% annual net return rate. **Currently, we are only offering an assumed annual net return rate of 3.5%.**

Terms to understand:

Annuitant(s): The person(s) whose life or life expectancy(ies) determines the amount or continuation of lifetime income payments or whose death results in payment of death benefits.

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

For contracts issued with an assumed annual net return rate of 5%, your first income 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.

For contracts issued with an assumed annual net return rate of 3.5%, your first income payment will be lower, but subsequent payments will increase more rapidly and decline more slowly depending upon the investment performance of the subaccounts you selected.

For more information about selecting an assumed annual net return rate, call us for a copy of the SAI. See **“CONTRACT OVERVIEW - Questions: Contacting the Company.”**

Five-Year Guaranteed Minimum Income Feature. If you select this feature, we guarantee that during the first five contract years your variable payment will never be less than the guaranteed minimum payment amount shown in the contract. The guaranteed minimum payment amount equals 90% of your estimated initial payment. If the variable annuity minimum income guarantee has been chosen or assumed, an assumed annual net return rate of 3.5% will apply.

Estimated Initial Payment Amount. On the date we issue the contract we estimate the amount of your initial payment based on the value of the annuity units your payment purchases on that date. See **“Calculating Variable Income Payments-Annuity Units.”** Your guaranteed minimum payment amount equals 90% of this estimated amount.

This feature requires that you select at issue:

- A lifetime payment option or a nonlifetime payment option of 15 years or more;
- The ability to make withdrawals;
- 100% variable payments;
- A 3.5% assumed annual net return rate; and
- Funds from the following list:

Calvert VP SRI Balanced Portfolio
Fidelity® VIP Equity-Income Portfolio
ING Balanced Portfolio
ING BlackRock Large Cap Growth Portfolio
ING Clarion Real Estate Portfolio
ING Growth and Income Portfolio
ING Index Plus LargeCap Portfolio
ING Intermediate Bond Portfolio
ING Invesco Van Kampen Comstock Portfolio
ING Invesco Van Kampen Equity and Income Portfolio
ING Large Cap Value Portfolio

ING Money Market Portfolio
ING PIMCO Total Return Portfolio
ING Pioneer Fund Portfolio
ING Pioneer High Yield Portfolio
ING Russell™ Large Cap Index Portfolio
ING Strategic Allocation Conservative Portfolio
ING Strategic Allocation Growth Portfolio
ING Strategic Allocation Moderate Portfolio
ING T. Rowe Price Equity Income Portfolio
ING UBS U.S. Large Cap Equity Portfolio
Invesco V.I. Core Equity Fund

If you select this feature you may transfer only between these available funds.

Certain age restrictions may also apply.

If you select this feature, any withdrawal during the first five contract years will result in a proportionate reduction in your guaranteed minimum payment amount.

In addition to other contract charges, if you select this feature, the guaranteed minimum income charge will apply for the first five contract years. See **“FEES.”**

Start Date. The contract is designed to be viewed as an immediate annuity contract under the Tax Code. For nonqualified contracts you may elect to delay your income payment start date for up to 12 months following purchase of the contract. See **“TAX CONSIDERATIONS”** for rules applicable where death occurs before the annuity starting date under a nonqualified annuity. Consult a tax adviser before electing a delay. Annuity payments under a qualified contract must meet the required beginning date applicable to your plan.

Taxation. The Tax Code has rules regarding income payments. For example, for qualified contracts, guaranteed payments may not extend beyond (a) the estimated life expectancy of the annuitant or (b) the joint life expectancies of the annuitant and beneficiary. Payments must comply with the minimum distribution requirements of Tax Code section 401(a)(9). In some cases tax penalties will apply if rules are not followed. **For tax rules that may apply to the contract see “TAX CONSIDERATIONS.”**

Payment Options

The following table lists the income payment options and their accompanying death benefits and rights to withdraw. See **“DEATH BENEFIT,” “WITHDRAWALS,” and APPENDIX I for additional detail.** We may offer additional income payment options under the contract from time to time.

| Lifetime Payment Options | |
|---|---|
| Life Income | <p>Length of Payments: For as long as the annuitant lives. It is possible that no payment will be made if the annuitant dies prior to the first payment’s due date.</p> <p>Death Benefit-None: All payments end upon the annuitant’s death.</p> <p>Right to Withdraw-None.</p> |
| Life Income - Guaranteed Payments | <p>Length of Payments: For as long as the annuitant lives, with payments guaranteed for your choice of 5-50 years* (or other periods we may make available at the time you select this option).</p> <p>Death Benefit-Payment to the Beneficiary: If the annuitant dies before we have made all the guaranteed payments, payments will continue to the beneficiary.</p> <p>Right to Withdraw: At the time of purchase, you may elect the right to withdraw all or a portion of any remaining guaranteed payments (some restrictions apply, see “WITHDRAWALS”).</p> |
| Life Income - Two Lives | <p>Length of Payments: For as long as either annuitant lives. It is possible that no payment will be made if both the annuitant and joint annuitant die before the first payment’s due date.</p> <p>Continuing Payments: When you select this option you will also choose either:</p> <ul style="list-style-type: none"> • Full or reduced payments to continue to the surviving annuitant after the first annuitant’s death; or • 100% of the payment to continue to the annuitant on the joint annuitant’s death, and a reduced payment to continue to the joint annuitant on the annuitant’s death. <p>In either case, payments cease upon the death of the surviving annuitant.</p> <p>Any reduction in payment will result in a corresponding reduction to the amount of the guaranteed minimum income payment, if applicable.</p> <p>Death Benefit-None: All payments end upon the death of both annuitants.</p> <p>Right to Withdraw-None.</p> |
| Life Income - Two Lives - Guaranteed Payments | <p>Length of Payments: For as long as either annuitant lives, with payments guaranteed for your choice of 5-50 years* (or other periods we may make available at the time you select this option.)</p> <p>Continuing Payments: 100% of the payment will continue to the surviving annuitant after the first annuitant’s death.</p> <p>Death Benefit-Payment to the Beneficiary: If both annuitants die before the guaranteed payments have all been paid, payments will continue to the beneficiary.</p> <p>Right to Withdraw: At the time of purchase, you may elect the right to withdraw all or a portion of any remaining guaranteed payments (some restrictions apply, see “WITHDRAWALS”).</p> |
| Nonlifetime Payment Option | |
| Nonlifetime - Guaranteed Payments | <p>Length of Payments: Payments will continue for your choice of 5-50 years* (or other periods we may make available at the time you select this option).</p> <p>Death Benefit - Payment to the Beneficiary: If the annuitant dies before we make all the guaranteed payments, payments will continue to the beneficiary.</p> <p>Right to Withdraw:</p> <ul style="list-style-type: none"> • If you are receiving variable income payments you may withdraw all or a portion of any remaining guaranteed payments at any time. • If you elect to receive fixed income payments at the time of purchase, you may elect the right to withdraw all or a portion of any remaining guaranteed payments (some restrictions apply, see “WITHDRAWALS”). |

* For qualified contracts a guaranteed payment period may not extend beyond your life expectancy or age 100 whichever is earlier. For non-qualified contracts, a guaranteed payment period may not extend beyond age 100.

Right to Change Guaranteed Payment Period

If you are receiving payments under a nonlifetime payment option, you may shorten or lengthen the period for which the guaranteed payments will be made or change to a lifetime payment option, subject to the following:

- You may make the change on any contract anniversary beginning on the second contract anniversary;
- Any change request must be in writing and received by us in good order within 30 days prior to the contract anniversary;
- A guaranteed payment period may be shortened to a period not less than 10 years from the contract effective date;
- For nonqualified contracts, a guaranteed payment period may be lengthened to a period not greater than 50 years from the contract effective date or age 100, whichever is earlier;
- For qualified contracts, a guaranteed payment period may not extend beyond your life expectancy or age 100, whichever is earlier;
- The withdrawal value on the contract anniversary of the change, along with current benefit rates in effect at that time, will be used to determine the amount of the new annuity payments (see “WITHDRAWALS - Withdrawal Value”); and
- We will terminate your withdrawal rights if a life annuity option is chosen.

The right to change a payment period is available for both fixed and variable payments. The right to change a payment period may not be available in all states. Certain other conditions and restrictions may apply.

A change to a lifetime payment option and any change in the guaranteed payment period may have an impact on the amount of each payment and the amount of each payment that is taxable. For advice about how any such change will affect your taxes, consult your tax adviser.

TAX CONSIDERATIONS

Introduction

The contract described in this prospectus is designed to be treated as an annuity for U.S. federal income tax purposes. This section discusses our understanding of current federal income tax laws affecting the contract. The U.S. federal income tax treatment of the contract is complex and sometimes uncertain. You should keep the following in mind when reading this section:

- Your tax position (or the tax position of the designated beneficiary, as applicable) may influence the 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, including the contract described in this prospectus;
- 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
- No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of those set forth below.

In this Section:

- **Introduction;**
- **Taxation of Nonqualified Contracts;**
- **Taxation of Qualified Contracts;**
- **Possible Changes in Taxation; and**
- **Taxation of the Company.**

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

We do not intend this information to be tax advice. No attempt is made to provide more than a general summary of information about the use of the contract with tax-qualified retirement arrangements, and the Tax Code may contain other restrictions and conditions that are not included in this summary. You should consult with a qualified tax adviser for advice about the effect of federal income tax laws, state tax laws or any other tax laws affecting the contract or any transactions involving the contract.

Types of Contracts: Nonqualified or Qualified

The contract described in this prospectus may be purchased on a non-tax-qualified basis (nonqualified contracts) or purchased on a tax-qualified basis (qualified contracts).

Nonqualified Contracts. Nonqualified contracts are not related to retirement plans that receive special income tax treatment under the Tax Code. Rather, they are purchased with after tax contributions and are purchased to save money with the right to receive annuity payments for either a specified period of time or over a lifetime.

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 to retirement plans or programs that are intended to qualify as plans or programs entitled to special favorable income tax treatment under sections 401(a), 401(k), 403(b), 408 or 457(b) of the Tax Code. **Employers or individuals intending to use the contract with such plans should seek qualified legal advice.**

Roth Accounts. Tax Code section 402A allows employees of certain private employers offering 401(k) plans, employees of public schools and certain Tax Code section 501(c)(3) organizations offering 403(b) plans, and employees of certain governmental employers offering 457(b) plans to contribute after-tax salary contributions to a Roth 401(k), Roth 403(b) and Roth 457(b) account, respectively. Roth accounts provide for tax-free distributions, subject to certain conditions and restrictions. If permitted under the plan for which the contract is issued, we will set up one or more accounts for you under the contract for Roth after-tax contributions and the portion of any transfer or rollover attributable to such amounts.

Taxation of Nonqualified Contracts

Taxation of Gains Prior to Distribution.

General. Tax Code section 72 governs taxation of annuities in general. We believe that if you are a natural person you will generally not be taxed on increases in the value of a nonqualified contract until a distribution occurs or until annuity payments begin. This assumes that the contract will qualify as an annuity contract for federal income tax purposes. For these purposes, the agreement to assign or pledge any portion of the contract value generally will be treated as a distribution. In order to be eligible to receive deferral of taxation, the following requirements must be satisfied:

- **Diversification.** Tax Code section 817(h) requires that in a nonqualified contract the investments of the funds be “adequately diversified” in accordance with Treasury Regulations in order for the contract to qualify as an annuity contract under federal tax law. The separate account, through the funds, intends to comply with the diversification requirements prescribed by Tax Code section 817(h) and by the Treasury in Reg. Sec. 1.817-5, which affects how the funds’ assets may be invested. If it is determined, however, that your contract does not satisfy the applicable diversification requirements and rulings because a subaccount’s corresponding fund fails to be adequately diversified for whatever reason, we will take appropriate steps to bring your contract into compliance with such regulations and rulings, and we reserve the right to modify your contract as necessary to do so;
- **Investor Control.** Although earnings under nonqualified contracts are generally not taxed until withdrawn, the IRS has stated in published rulings that a variable contract owner will be considered the owner of separate account assets if the contract owner possesses incidents of investment control over the assets. In these circumstances, income and gains from the separate account assets would be currently includible in the variable contract owner’s gross income. Future guidance regarding the extent to which owners could direct their investments among subaccounts without being treated as owners of the underlying assets of the separate account may adversely affect the tax treatment of existing contracts. The Company therefore reserves the right to modify the contract as necessary to attempt to prevent the contract holder from being considered the federal tax owner of a pro rata share of the assets of the separate account;

- **Required Distributions.** In order to be treated as an annuity contract for federal income tax purposes, the Tax Code requires any nonqualified contract to contain certain provisions specifying how your interest in the contract will be distributed in the event of your death. The nonqualified contracts contain provisions that are intended to comply with these Tax Code requirements, although no regulations interpreting these requirements have yet been issued. When such requirements are clarified by regulation or otherwise, we intend to review such distribution provisions and modify them if necessary to assure that they comply with the applicable requirements;
- **Non-Natural Holders of a Non-Qualified Contract.** If you are not a natural person, a nonqualified contract generally is not treated as an annuity for income tax purposes and the income on the contract for the taxable year is currently taxable as ordinary income. Income on the contract is any increase in the contract value over the “investment in the contract” (generally, the premiums or other consideration you paid for the contract less any nontaxable withdrawals) during the taxable year. There are some exceptions to this rule and a non-natural person should consult with its tax adviser prior to purchasing the contract. When the contract owner is not a natural person, a change in the annuitant is treated as the death of the contract owner; and
- **Delayed Annuity Starting Date.** If the contract’s annuity starting date occurs (or is scheduled to occur) at a time when the annuitant has reached an advanced age (e.g., after age 85), it is possible that the contract would not be treated as an annuity for federal income tax purposes. In that event, the income and gains under the contract could be currently includible in your income.

Taxation of Distributions

General. When a withdrawal from a nonqualified contract occurs, the amount received will be treated as ordinary income subject to tax up to an amount equal to the excess (if any) of the contract value (unreduced by the amount of any surrender charge) immediately before the distribution over the contract owner’s investment in the contract at that time. Investment in the contract is generally equal to the amount of all premiums to the contract, plus amounts previously included in your gross income as the result of certain loans, assignments or gifts, less the aggregate amount of non-taxable distributions previously made.

In the case of a surrender under a nonqualified contract, the amount received generally will be taxable only to the extent it exceeds the contract owner’s investment in the contract (cost basis).

10% Penalty Tax. A distribution from a nonqualified contract may be subject to a federal tax penalty equal to 10% of the amount treated as income. In general, however, there is no penalty on distributions:

- Made on or after the taxpayer reaches age 59½;
- Made on or after the death of a contract owner (the annuitant if the contract owner is a non-natural person);
- Attributable to the taxpayer’s becoming disabled as defined in the Tax Code;
- Made as part of a series of substantially equal periodic payments (at least annually) over your life or life expectancy or the joint lives or joint life expectancies of you and your designated beneficiary; or
- The distribution is allocable to investment in the contract before August 14, 1982.

The 10% penalty does not apply to distributions from an immediate annuity as defined in the Tax Code. Other exceptions may be applicable under certain circumstances and special rules may be applicable in connection with the exceptions enumerated above. A tax adviser should be consulted with regard to exceptions from the penalty tax.

Tax-Free Exchanges. Section 1035 of the Tax Code permits the exchange of a life insurance, endowment or annuity contract for an annuity contract on a tax-free basis. In such instance, the “investment in the contract” in the old contract will carry over to the new contract. You should consult with your tax advisor regarding procedures for making section 1035 exchanges.

If your contract is purchased through a tax-free exchange of a life insurance, endowment or annuity contract that was purchased prior to August 14, 1982, then any distributions other than annuity payments will be treated, for tax purposes, as coming:

- First, from any remaining “investment in the contract” made prior to August 14, 1982 and exchanged into the contract;

- Next, from any “income on the contract” attributable to the investment made prior to August 14, 1982;
- Then, from any remaining “income on the contract;” and
- Lastly, from any remaining “investment in the contract.”

The IRS has concluded that in certain instances, the partial exchange of a portion of one annuity contract for another contract will be tax-free. Pursuant to IRS guidance, receipt of partial withdrawals or surrenders from either the original contract or the new contract during the 180 day period beginning on the date of the partial exchange may retroactively negate the partial exchange. If the partial exchange is retroactively negated, the partial withdrawal or surrender of the original contract will be treated as a withdrawal, taxable as ordinary income to the extent of gain in the original contract and, if the partial exchange occurred prior to you reaching age 59½, may be subject to an additional 10% tax penalty. We are not responsible for the manner in which any other insurance company, for tax reporting purposes, or the IRS, with respect to the ultimate tax treatment, recognizes or reports a partial exchange. We strongly advise you to discuss any proposed 1035 exchange or subsequent distribution within 180 days of a partial exchange with your tax advisor prior to proceeding with the transaction.

Taxation of Annuity Payments. Although tax consequences may vary depending on the payment option elected under an annuity contract, a portion of each annuity payment is generally not taxed and the remainder is taxed as ordinary income. The non-taxable portion of an annuity payment is generally determined in a manner that is designed to allow you to recover your investment in the contract ratably on a tax-free basis over the expected stream of annuity payments, as determined when annuity payments start. Once your investment in the contract has been fully recovered, however, the full amount of each subsequent annuity payment is subject to tax as ordinary income.

On September 27, 2010, President Obama signed into law the Small Business Jobs Act of 2010 which included language that permits the partial annuitization of non-qualified annuities, effective for amounts received in taxable years beginning after December 31, 2010. The provision applies an exclusion ratio to any amount received as an annuity under a portion of an annuity provided that the annuity payments are made for a period of 10 years or more or for life. Please consult your tax adviser before electing a partial annuitization.

Death Benefits. Amounts may be distributed from a contract because of your death or the death of the annuitant. Generally, such amounts are includible in the income of the recipient as follows:

- If distributed in a lump sum, they are taxed in the same manner as a surrender of the contract, or
- If distributed under a payment option, they are taxed in the same way as annuity payments.

Special rules may apply to amounts distributed after a Beneficiary has elected to maintain contract value and receive payments.

Different distribution requirements apply if your death occurs:

- After you begin receiving annuity payments under the contract; or
- Before you begin receiving such distributions.

If your death occurs after you begin receiving annuity payments, distributions must be made at least as rapidly as under the method in effect at the time of your death.

If your death occurs before you begin receiving annuity payments, your entire balance must be distributed within five years after the date of your death. For example, if you died on September 1, 2012, your entire balance must be distributed by August 31, 2017. However, if distributions begin within one year of your death, then payments may be made over 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.

If the designated beneficiary is your spouse, the contract may be continued with the surviving spouse as the new contract owner. If the contract owner is a non-natural person and the primary annuitant dies, the same rules apply on the death of the primary annuitant as outlined above for the death of a contract owner.

The contract offers a death benefit that may exceed the greater of the premium payments and the contract value. Certain charges are imposed with respect to the death benefit. It is possible that these charges (or some portion thereof) could be treated for federal tax purposes as a distribution from the contract.

Assignments and Other Transfers. A transfer, pledge or assignment of ownership of a nonqualified contract, the selection of certain annuity dates, or the designation of an annuitant or payee other than an owner may result in certain tax consequences to you that are not discussed herein. The assignment, pledge or agreement to assign or pledge any portion of the contract value generally will be treated as a distribution. Anyone contemplating any such transfer, pledge, assignment, or designation or exchange, should consult a tax adviser regarding the potential tax effects of such a transaction.

Immediate Annuities. Under section 72 of the Tax Code, an immediate annuity means an annuity:

- Which is purchased with a single premium;
- With annuity payments starting within one year from the date of purchase; and
- Which provides a series of substantially equal periodic payments made annually or more frequently.

While this contract is not designed as an immediate annuity, treatment as an immediate annuity would have significance with respect to exceptions from the 10% early withdrawal penalty, to contracts owned by non-natural persons, and for certain exchanges.

Multiple Contracts. Tax laws require that all nonqualified deferred annuity contracts that are issued by a company or its affiliates to the same contract owner during any calendar year be treated as one annuity contract for purposes of determining the amount includible in gross income under Tax Code section 72(e). In addition, the Treasury Department has specific authority to issue regulations that prevent the avoidance of Tax Code section 72(e) through the serial purchase of annuity contracts or otherwise.

Withholding. We will withhold and remit to the IRS a part of the taxable portion of each distribution made under a contract unless the distributee notifies us at or before the time of the distribution that he or she elects not to have any amounts withheld. Withholding is mandatory, however, if the distributee fails to provide a valid taxpayer identification number or if we are notified by the IRS that the taxpayer identification number we have on file is incorrect. The withholding rates applicable to the taxable portion of periodic annuity payments are the same as the withholding rates generally applicable to payments of wages. In addition, a 10% withholding rate applies to the taxable portion of non-periodic payments. Regardless of whether you elect to have federal income tax withheld, you are still liable for payment of federal income tax on the taxable portion of the payment.

Certain states have indicated that state income tax withholding will also apply to payments from the contracts made to residents. Generally, an election out of federal withholding will also be considered an election out of state withholding. In some states, you may elect out of state withholding, even if federal withholding applies. If you need more information concerning a particular state or any required forms, please contact our Customer Service Center.

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 transaction.

Taxation of Qualified Contracts

Eligible Retirement Plans and Programs

The contract may be purchased with the following retirement plans and programs to accumulate retirement savings:

- Sections 401(a) and 401(k) of the Tax Code permit certain employers to establish various types of retirement plans for employees, and permit self-employed individuals to establish these plans for themselves and their employees;

- Section 403(b) of the Tax Code allows employees of certain Tax Code section 501(c)(3) organizations and public schools to exclude from their gross income the premium payments made, within certain limits, to a contract that will provide an annuity for the employee's retirement;
- Section 408 of the Tax Code permits eligible individuals to contribute to an individual retirement program known as an Individual Retirement Annuity ("IRA"); and
- Section 457 of the Tax Code permits certain employers to offer deferred compensation plans for their employees. These plans may be offered by state governments, local governments, political subdivisions, agencies, instrumentalities and certain affiliates of such entities (governmental employers), as well as non-governmental, tax-exempt organizations (non-governmental employers). A 457 plan is a 457(b) (eligible) plan. Participation in a 457(b) plan maintained by a non-governmental employer is generally limited to highly-compensated employees and select management (other than 457(b) plans maintained by nonqualified, church-controlled organizations). Generally, participants may specify the form of investment for their deferred compensation account.

Special Considerations for IRAs. 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. Contributions to IRAs must be made in cash or as a rollover or a transfer from another eligible plan. 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. 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.

Special Considerations for Section 457 Plans. Under 457(b) plans of non-governmental employers, all amounts of deferred compensation, all property and rights purchased with such amounts and all income attributable to such amounts, property and rights remain solely the property and rights of the employer and are subject to the claims of the employer's general creditors. 457(b) plans of governmental employers, on the other hand, are required to hold all assets and income of the plan in trust for the exclusive benefit of plan participants and their beneficiaries. For purposes of meeting this requirement, an annuity contract is treated as a trust.

Taxation

The tax rules applicable to owners of qualified contracts vary according to the type of qualified contract and the specific terms and conditions of the qualified contract. The ultimate effect of federal income taxes on the amounts held under a qualified contract, or on income phase (e.g., annuity) payments from a qualified contract, depends on the type of qualified contract or program as well as your particular facts and circumstances. 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
- Other specified circumstances.

Some qualified plans and programs are subject to additional distribution or other requirements that are not incorporated into the contract described in this prospectus. No attempt is made to provide more than general information about the use of the contract with qualified plans and programs. Contract holders, participants, annuitants, and beneficiaries are cautioned that the rights of any person to any benefit under these qualified plans and programs may be subject to the terms and conditions of the plans 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 language of the contract, unless we consent to be so bound.

Generally, contract holders, participants, 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 qualified 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 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 (as defined in this prospectus), 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 or the option of lifetime income phase options at established rates) that may be valuable to you. You should discuss your alternatives with a qualified financial representative taking into account the additional fees and expenses you may incur in an annuity.

Contributions

In order to be excludable from gross income for federal income tax purposes, total annual contributions to certain qualified plans are limited by the Tax Code. We provide general information on these requirements for certain plans below. You should consult with a qualified tax adviser in connection with contributions to a qualified contract.

401(a), 401(k) and 403(b) Plans. The total annual contributions (including pre-tax and Roth 401(k) or Roth 403(b) after-tax contributions) by you and your employer cannot exceed, generally, the lesser of 100% of your compensation or \$50,000 (as indexed for 2012). Compensation means your compensation for the year from the employer sponsoring the plan and, for years beginning after December 31, 1997, includes any elective deferrals under Tax Code section 402(g) and any amounts not includible in gross income under Tax Code sections 125 or 457.

This limit applies to your contributions as well as to any contributions made by your employer on your behalf. An additional requirement limits your salary reduction contributions to a 401(k) or 403(b) plan to generally no more than \$17,000 (2012). Contribution limits are subject to annual adjustments for cost-of-living increases. Your own limit may be higher or lower, depending upon certain conditions.

457(b) Plans. The total annual contributions made by you and your employer to a 457(b) plan cannot exceed, generally, the lesser of 100% of your includible compensation or \$17,000 (as indexed for 2012). Generally, includible compensation means your compensation for the year from the employer sponsoring the plan, including deferrals to the employer's Tax Code section 401(k), 403(b) and 125 cafeteria plans in addition to any deferrals to the 457(b) plan.

Catch-up Contributions. Notwithstanding the contribution limits noted above, if permitted by the plan, a participant in a 401(k), 403(b) or 457(b) plan of a governmental employer who is at least age 50 by the end of the plan year may contribute an additional amount not to exceed the lesser of:

- \$5,500; or
- The participant's compensation for the year reduced by any other elective deferrals of the participant for the year.

Additional special catch-up provisions may be available for 457(b) plans ("Special 457 Catch-ups") during the three years prior to the participant's normal retirement age. Note that the Special 457 Catch-ups cannot be used simultaneously with the catch-up contribution provisions referenced above. Specifically, a participant may elect to defer the larger of: the applicable dollar amount, which for 2012 is \$17,000, plus the catch-up contribution limit of \$5,500 (2012); or the applicable dollar amount plus the Special 457 Catch-up. For advice with respect to these catch-up provisions, please consult a qualified tax adviser.

Distributions - General

Certain tax rules apply to distributions from the contract. 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.

401(a), 401(k), 403(b) and Governmental 457(b) Plans. Distributions from these plans are taxed as received unless one of the following is true:

- The distribution is an eligible rollover distribution and is directly transferred over to another plan eligible to receive rollovers or to a traditional or Roth IRA in accordance with the Tax Code;
- You made after-tax contributions to the plan. In this case, depending upon the type of distribution, the amount will be taxed according to the rules detailed in the Tax Code; or
- The distribution is a qualified health insurance premium of a retired public safety officer as defined in the Pension Protection Act of 2006.

A distribution is an eligible rollover distribution unless it is:

- Part of a series of substantially equal periodic payments (at least one per year) made over the life expectancy of the participant or the joint life expectancy of the participant and his designated beneficiary or for a specified period of 10 years or more;
- A required minimum distribution under Tax Code section 401(a)(9);
- A hardship withdrawal;
- Otherwise excludable from income; or
- Not recognized under applicable regulations as eligible for rollover.

10% Penalty Tax. The Tax Code imposes a 10% penalty tax on the taxable portion of any distribution from a contract used with a 401(a), 401(k) or 403(b) plan (or amounts from a governmental 457(b) plan that are attributable to rollovers from such plans) unless certain exceptions, including one or more of the following, have occurred:

- You have attained age 59½;
- You have become disabled, as defined in the Tax Code;
- You have died and the distribution is to your beneficiary;
- You have separated from service with the plan sponsor at or after age 55;
- You have separated from service with the plan sponsor and the distribution amount is made in substantially equal periodic payments (at least annually) over your life or the life expectancy or the joint lives or joint life expectancies of you and your designated beneficiary;
- The distribution is made due to an IRS levy upon your plan;
- The withdrawal amount is paid to an alternate payee under a Qualified Domestic Relations Order (“QDRO”); or
- The distribution is a qualified reservist distribution as defined under the Pension Protection Act of 2006 (401(k) and 403(b) plans only).

In addition, the 10% penalty tax does not apply to the amount of a distribution equal to unreimbursed medical expenses incurred by you during the taxable year that qualify for deduction as specified in the Tax Code. The Tax Code may provide other exceptions or impose other penalty taxes in other circumstances.

Distributions - Eligibility

401(a) Pension Plans. Subject to the terms of your 401(a) pension plan, distributions may only occur upon your:

- Retirement;
- Death;
- Disability;
- Severance from employment;
- Attainment of normal retirement age;
- Attainment of age 62 under a phased retirement provision if available under your plan as described in the Pension Protection Act of 2006; or
- Termination of the plan.

Such distributions remain subject to other applicable restrictions under the Tax Code.

401(k) Plans. Subject to the terms of your 401(k) plan, distributions from your 401(k) employee account, and possibly all or a portion of your 401(k) employer account, may only occur upon your:

- Retirement;
- Death;
- Attainment of age 59½;
- Severance from employment;
- Disability;
- Financial hardship; or
- Termination of the plan (assets must be distributed within 1 year).

Such distributions remain subject to other applicable restrictions under the Tax Code.

403(b) Plans. Distribution of certain salary reduction contributions and earnings on such contributions restricted under Tax Code section 403(b)(11) may only occur upon your:

- Death;
- Attainment of age 59½;
- Severance from employment;
- Disability;
- Financial hardship;
- Termination of the plan (assets must be distributed within 1 year); or
- Meeting other circumstances as allowed by federal law, regulations or rulings.

Such distributions remain subject to other applicable restrictions under the Tax Code.

Effective January 1, 2009 and for any contracts or participant accounts established on or after that date, 403(b) regulations prohibit the distribution of amounts attributable to employer contributions before the earlier of your severance from employment or prior to the occurrence of some event as provided under your employer's plan, such as after a fixed number of years, the attainment of a stated age, or a disability.

If the Company agrees to accept amounts exchanged from a Tax Code section 403(b)(7) custodial account, such amounts will be subject to the withdrawal restrictions set forth in Tax Code section 403(b)(7)(A)(ii).

457(b) Plans. Under 457(b) plans, distributions may not be made available to you earlier than:

- The calendar year you attain age 70½;
- When you experience a severance from employment; or
- When you experience an unforeseeable emergency.

A one-time in-service distribution may also be permitted if the total amount payable to the participant does not exceed \$5,000 and no amounts have been deferred by the participant during the two-year period ending on the date of distribution.

Lifetime Required Minimum Distributions (401(a), 401(k), 403(b) and 457(b) Plans)

To avoid certain tax penalties, you and any designated beneficiary must also meet the 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 or retire, whichever occurs later, unless:

- Under 401(a), 401(k) and governmental 457(b) plans, you are a 5% owner, in which case such distributions must begin by April 1 of the calendar year following the calendar year in which you attain age 70½; or

- Under 403(b) plans, the Company maintains separate records of amounts held as of December 31, 1986. In this case distribution of these amounts generally must begin by the end of the calendar year in which you attain age 75 or retire, if later. However, if you take any distributions in excess of the minimum required amount, then special rules require that the excess be distributed from the December 31, 1986 balance.

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.

Further information regarding required minimum distributions may be found in your contract or certificate.

Required Distributions upon Death (401(a), 401(k), 403(b) and 457(b) Plans)

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 the date 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 the date 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, 2012, your entire balance must be distributed to the designated beneficiary by December 31, 2017. 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 holder's death.

Special Rule for IRA Spousal Beneficiaries (IRAs Only). 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.

Withholding

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

401(a), 401(k), 403(b) and 457(b) Plans of Governmental Employers. Generally, distributions from these plans are subject to a mandatory 20% federal income tax withholding. However, mandatory withholding will not be required if you elect a direct rollover of the distributions to an eligible retirement plan or in the case of certain distributions described in the Tax Code.

457(b) Plans of Non-Governmental Employers. All distributions from this plan, except death benefit proceeds, are subject to mandatory federal income tax withholding as wages. Wage withholding is not required on payments to designated beneficiaries.

Non-resident Aliens. If you or your designated beneficiary is a non-resident alien, any withholding is governed by Tax Code section 1441 based on the individual's citizenship, the country of domicile and treaty status. Section 1441 does not apply to participants in 457(b) plans of non-governmental employers, and we may require additional documentation prior to processing any requested distribution.

In-Plan Roth Rollovers

Tax Code section 401(k), 403(b) and governmental 457(b) plans may add a "qualified Roth contribution program," under which employees can forgo the current exclusion from gross income for elective deferrals, in exchange for the future exclusion of the distribution of the deferrals and any earnings thereon. That is, participants may elect to make non-excludable contributions to "designated Roth accounts" (instead of making excludable contributions) - and to exclude from gross income (if certain conditions are met) distributions from these accounts (instead of having distributions included in gross income).

In-plan Roth rollovers are not subject to the 10% additional tax on early distributions under Tax Code section 72(t) that would normally apply to distributions from a 401(k) or 403(b) plan (or from a governmental 457(b) plan to the extent such amounts are attributable to rollovers from a 401(a), 401(k), 403(a) or 403(b) plan). However, a special recapture rule applies when a plan distributes any part of the in-plan Roth rollover within a five-year taxable period, making the distribution subject to the 10% additional tax on early distributions under Tax Code section 72(t) unless an exception to this tax applies or the distribution is allocable to any nontaxable portion of the in-plan Roth rollover. The five-year taxable period begins January 1 of the year of the in-plan Roth rollover and ends on the last day of the fifth year of the period. This special recapture rule does not apply when the participant rolls over the distribution to another designated Roth account or to a Roth IRA but does apply to a subsequent distribution from the rolled over account or Roth IRA within the five-year taxable period.

The tax rules associated with Roth accounts and in-plan Roth rollovers can be complex and you should seek qualified legal and tax advice regarding your particular situation.

Assignment and Other Transfers

401(a), 401(k), 403(b) and 457(b) Plans. Adverse tax consequences to the plan and/or to you may result if your beneficial interest in the contract is assigned or transferred to persons other than:

- A plan participant as a means to provide benefit payments;
- An alternate payee under a QDRO in accordance with Tax Code section 414(p); or
- The Company as collateral for a loan; or
- The enforcement of a federal income tax lien or levy.

IRAs. The Tax Code does not allow a transfer or assignment of your rights under this contract 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.

Same-Sex Marriages

Pursuant to Section 3 of the federal Defense of Marriage Act (“DOMA”), same-sex marriages currently are not recognized for purposes of federal law. Therefore, the favorable income-deferral options afforded by federal tax law to an opposite-sex spouse under Tax Code sections 72(s) and 401(a)(9) are currently NOT available to a same-sex spouse. Same-sex spouses who own or are considering the purchase of annuity products that provide benefits based upon status as a spouse should consult a tax adviser. In some states, to the extent that an annuity contract or certificate accords to spouses other rights or benefits that are not affected by DOMA, same-sex spouses remain entitled to such rights or benefits to the same extent as any contract holder’s spouse.

Possible Changes in Taxation

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

Taxation of the Company

We are taxed as a life insurance company under the Tax Code. The separate account 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 thereof 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.

CONTRACT DISTRIBUTION

General

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 FINRA and the Securities Investor Protection Corporation. ING Financial Advisers, LLC’s principal office is located at One Orange Way, Windsor, Connecticut 06095-4774.

We sell the contracts through licensed insurance agents who are registered representatives of broker-dealers that have entered into selling agreements with ING Financial Advisers, LLC. We refer to these broker-dealers as “distributors.” The following distributors are affiliated with the Company and have entered into selling agreements with ING Financial Advisers, LLC for the sale of our variable annuity contracts:

- ING Financial Partners, Inc.
- 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, but instead is paid by us through ING Financial Advisers, LLC. We intend to recoup this compensation and other sales expenses paid to distributors through fees and charges imposed under the contracts.

Compensation Arrangements. Registered representatives who offer and sell the contracts may be paid a commission. The maximum percentage amount that may be paid with respect to a given purchase payment is 7%. In addition to the commission paid upon receipt of a purchase payment to the contract, we may pay an additional amount, the total amount of which will not exceed 7% of the total commission paid with respect to a given purchase payment. Such additional payments will not be made upon receipt of the purchase payment, but will be paid over the same time period as the income payment option selected by the contract owner. Individual registered representatives may receive all or a portion of compensation paid to their distributor, depending upon the firm's practices. In limited circumstances, certain of these distributors may also receive compensation, overrides or reimbursement for expenses associated with the distribution of the contract. At times certain distributors may be offered an enhanced commission for a limited period of time. Commissions and other payments, when combined, could exceed 7% 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 Partners, Inc. and other distributors affiliated with the Company.

We may also enter into special compensation arrangements with certain distributors 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 distributors, and the terms of such arrangements may differ among distributors based on various factors. These special compensation arrangements may also be limited only to ING Financial Partners, Inc. and other distributors affiliated with the Company. Any such compensation payable to a distributor 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 management personnel meet or exceed goals for sales of the contracts, or 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, or which may be a flat dollar amount that varies based upon other factors including management's ability to meet or exceed service requirements, sell new contracts or retain existing contracts, or sell additional service features such as a common remitting program.

In addition to direct cash compensation for sales of contracts described above, through ING Financial Advisers, LLC, we 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 distributors that, during 2011, 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:

- | | |
|--|--|
| • ING Financial Partners, Inc. | • Multi-Financial Securities Corporation |
| • Symetra Investment Services, Inc. | • Cadaret, Grant & Co., Inc. |
| • LPL Financial Corporation | • Securities America, Inc. |
| • American Portfolios Financial Services, Inc. | • RBC Capital Markets, LLC |
| • Morgan Stanley Smith Barney LLC | • Tower Square Securities, Inc. [®] |
| • Walnut Street Securities, Inc. [®] | • SagePoint Financial, Inc. |
| • Financial Network Investment Corporation | • PlanMember Securities Corporation |
| • Lincoln Financial Group | • National Planning Corporation |
| • Morgan Keegan and Company, Inc. | • Queens Road Securities, LLC |
| • Financial Telesis Inc./Jhw Financial Services Inc. | • Royal Alliance Associates, Inc. |
| • Lincoln Investment Planning, Inc. | • ProEquities, Inc. |
| • NFP Securities, Inc. | • Woodbury Financial Services, Inc. |
| • Northwestern Mutual Investment Services, LLC | |

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 and/or services over those of another Company, and may also provide a financial incentive to promote one of our contracts over another.

The names of the broker-dealer and the registered representative responsible for your contract are set forth on your application.

Third Party Compensation Arrangements. Please be aware that:

- The Company may seek to promote itself and the contracts by sponsoring or contributing to events sponsored by various associations, professional organizations and labor organizations;
- The Company may make payments to associations and organizations, including labor organizations, which endorse or otherwise recommend the contracts to their membership. If an endorsement is a factor in your contract purchasing decision, more information on the payment arrangement, if any, is available upon your request; and
- At the direction of the contract holder, we may make payments to the contract holder, its representatives or third party service providers intended to defray or cover the costs of plan or program related administration.

OTHER TOPICS

Anti-Money Laundering

In order to protect against the possible misuse of our products in money laundering or terrorist financing, we have adopted an anti-money laundering program satisfying the requirements of the USA PATRIOT Act and other current anti-money laundering laws. Among other things, this program requires us, our agents and customers to comply with certain procedures and standards that will allow us to verify the identity of the sponsoring organization and that contributions and loan repayments are not derived from improper sources.

Under our anti-money laundering program, we may require customers, and/or beneficiaries to provide sufficient evidence of identification, and we reserve the right to verify any information provided to us by accessing information databases maintained internally or by outside firms.

We may also refuse to accept certain forms of payments or loan repayments (traveler's cheques, cashier's checks, bank drafts, bank checks and treasurer's checks, for example) or restrict the amount of certain forms of payments or loan repayments (money orders totaling more than \$5,000, for example). In addition, we may require information as to why a particular form of payment was used (third party checks, for example) and the source of the funds of such payment in order to determine whether or not we will accept it. Use of an unacceptable form of payment may result in us returning the payment to you.

Applicable laws designed to prevent terrorist financing and money laundering might, in certain circumstances, require us to block certain transactions until authorization is received from the appropriate regulator. We may also be required to provide additional information about you and your policy to government regulators.

Our anti-money laundering program is subject to change without notice to take account of changes in applicable laws or regulations and our ongoing assessment of our exposure to illegal activity.

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 NYSE is closed (except customary holidays or weekends) or when trading on the NYSE 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 illustrate the hypothetical values of income payments made from each of the subaccounts over certain periods of time based on historical net asset values of the funds. These numbers will reflect the mortality and expense risk charge, the administrative expense charge (if any), any applicable guaranteed minimum income charge and the advisory fees and other expenses of the funds.

We may also 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 10-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 returns reflect deduction of all recurring charges during each period (e.g., mortality and expense risk charges, administrative expense charges (if any), any applicable guaranteed minimum income charges 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 charges. 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.

Contract Modification

We may change the contract as required by federal or state law or as otherwise permitted in the contract. Certain changes will require the approval of appropriate state or federal regulatory authorities.

Transfer of Ownership

Ownership of the contract may be changed to the extent permitted by law. You should immediately notify the Company, in writing, of any change in ownership. No such ownership change will be binding until such notification is received and recorded at our Customer Service Center. We reserve the right to reject transfer of ownership to a non-natural person. A transfer of ownership may have tax consequences and you should consult with a qualified tax adviser before transferring ownership of the contract.

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, 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 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:

| | |
|---|-----|
| • General Information and History | 2 |
| • Variable Annuity Account C | 2 |
| • Offering and Purchase of Contracts | 2 |
| • Income Payments | 3 |
| • Sales Material and Advertising | 4 |
| • Experts | 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

FIXED DOLLAR OPTION

The following summarizes material information concerning the fixed dollar option. You may choose to allocate all or a portion of your purchase payment to the fixed dollar option. If you choose the fixed dollar option, your income payments will generally remain fixed as specified in your contract over the term of the contract. Your fixed payment may vary due to factors including your selection of an increasing annuity or your election and use of a right to withdraw. In certain cases, you may elect a right to withdraw any remaining guaranteed payments (**see “Withdrawals” in this Appendix**). Amounts allocated to the fixed dollar option are held in the Company’s general account that supports general insurance and annuity obligations.

Interests in the fixed dollar option have not been registered with the SEC in reliance upon exemptions under the Securities Act of 1933, as amended. Disclosure in this prospectus regarding the fixed dollar option 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 the fixed dollar option has not been reviewed by the SEC.

Payment Options

All of the payment options described under “Income Payments” in this prospectus are available for the fixed dollar option. If you allocate all of your purchase payment to the fixed dollar option, you may also elect one of the following features in connection with your fixed income payments:

- **A Cash Refund Feature.** (Only available if you select 100% fixed payments.) With this feature, if the annuitant or both annuitants (as applicable) die, then the beneficiary will receive a lump-sum payment equal to the purchase payment allocated to the fixed dollar option less any premium tax and less the total amount of fixed income payments paid prior to such death. The cash refund feature may be elected only with a “life income” or “life income-two lives” payment option that has no reduction in payment to the survivor. **See “INCOME PAYMENTS - Payment Options.”** You may not elect a right to withdraw or elect an increasing annuity with this feature.
- **An Increasing Annuity.** (Only available if you select 100% fixed payments.) With this feature you may elect for your payments to increase by either one, two, or three percent, compounded annually. The higher your percentage, the lower your initial payment will be. This is available with any payment option, except for those with a reduction in payment to the survivor. **See “INCOME PAYMENTS - Payment Options.”** You may not elect a right to withdraw or elect the cash refund feature with an increasing annuity.

Fixed Income Payment Amounts

The amount of each payment depends upon: (1) the purchase payment that you allocate to the fixed dollar option, less any premium tax; and (2) the payment option and features chosen.

Withdrawals

Withdrawal Value-Lifetime Payment Options. If you select a lifetime payment option with guaranteed payments and elect the right to make withdrawals, the withdrawal amount available from any fixed portion of remaining guaranteed payments is equal to the present value of the remaining fixed portion of guaranteed payments calculated using the contract rate adjusted by the change in the constant maturity 10 year Treasury note rate from your contract effective date to the date we calculate the withdrawal value. Any applicable early withdrawal charge will be deducted.

Withdrawal Value-Nonlifetime Payment Options. If you select a nonlifetime payment option and elect the right to make withdrawals, the withdrawal amount available from any fixed portion of remaining guaranteed payments is equal to the present value of the remaining fixed portion of guaranteed payments calculated using the adjusted contract rate. The calculation is presented below. Any applicable early withdrawal charge will be deducted.

The adjusted contract rate equals (Rate of Return) + WY - IY, where:

Rate of Return is the fixed annuity present value interest rate shown in your contract

WY is the withdrawal yield

IY is the issue yield

WY is determined as follows:

- (1) WY is the average of the yields, as published in the Wall Street Journal on the Friday before the date of the withdrawal, of noncallable, non-inflation adjusted Treasury Notes or Bonds maturing on or closest to the withdrawal duration date;
- (2) The withdrawal duration date is the date (month and year) obtained when the withdrawal duration is added to the date of the withdrawal; or
- (3) Withdrawal duration equals 1 plus the number of whole years from the date of the withdrawal until the final guaranteed payment is due, divided by 2. Any resulting fraction will be rounded up to the next whole number.

IY is determined as follows:

- (1) IY is the average of the yields, as published in the Wall Street Journal on the Friday before the later of the contract effective date or the benefit change date shown in your contract, of noncallable, non-inflation adjusted Treasury Notes or Bonds maturing on or closest to the issue duration date;
- (2) The issue duration date (month and year) is obtained when the issue duration is added to the later of the contract effective date or the benefit change date;
- (3) Issue duration equals 1 plus the number of whole years from the later of the contract effective date or the benefit change date until the final payment is due, divided by 2. Any resulting fraction will be rounded up to the next whole number; or
- (4) Benefit change date is the date of the most recent change, if any, of the guaranteed payment period.

Early Withdrawal Charge

Withdrawals may be subject to an early withdrawal charge. The charge is a percentage of the amount that you withdraw. The percentage will be determined by the early withdrawal charge schedule applicable to your contract:

| Number of Years from Contract Effective Date* | Early Withdrawal Charge |
|--|--------------------------------|
| 1 or more, but fewer 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% |

The early withdrawal charge, in effect, is a deferred sales charge imposed to reimburse the Company for unrecovered acquisition and distribution costs.

Internal Exchanges. In the case of amounts transferred from a prior contract or arrangement issued or administered by the Company or certain of its affiliates, the “Number of Years from Contract Effective Date” is calculated from the date of the first premium payment made under the individual’s account under the prior contract or if earlier, the effective date of the individual’s account under the prior contract or arrangement. There is no surrender charge under this contract on amounts transferred or rolled over as an internal transfer when the prior contract or arrangement imposed a front end load, there was no applicable surrender charge under the prior contract, or arrangement or if the prior contract or arrangement would not have assessed a surrender charge if the money had been transferred to a contract issued by a non-affiliated company.

* For participants under a group contract, the early withdrawal charge will be calculated based upon the number of years from the certificate effective date.

Reduction or Elimination of the Early Withdrawal Charge. We may reduce or eliminate the early withdrawal charge when sales of the contract are made to individuals or a group of individuals in such a manner that results in savings of sales expenses. The entitlement to such a reduction in the early withdrawal charge will be based on one or more of the following criteria:

- The size and type of group of individuals to whom the contract is offered;
- The type and frequency of administrative and sales services to be provided; or
- Whether there is a prior or existing relationship with the Company such as being an employee or former employee of the Company or one of its affiliates; receiving distributions or making internal transfers from other contracts or arrangements offered by the Company or one of its affiliates; or making transfers of amounts held under qualified plans sponsored by the Company or an affiliate.

Any reduction or elimination of the early withdrawal charge will not be unfairly discriminatory against any person.

Death Benefit

If the annuitant or both annuitants, as applicable, die before all guaranteed payments are paid, payments will continue to the beneficiary in the manner stated in your contract.

Payment of Death Benefit. Any death benefit will be paid in the form specified in the contract and will be distributed at least as rapidly as under the method of distribution in effect upon the date of death. **See “TAX CONSIDERATIONS”** for rules that apply if you have elected to delay your payment start date under a nonqualified annuity and you die before the annuity starting date. A lump-sum payment of any death benefit may be requested within six months following the date of death. If a lump-sum payment is requested, no early withdrawal charge is applied and payment will be sent within seven calendar days following our receipt of request in good order. A lump-sum payment may be requested at anytime (even after the six month period) if you had elected the right to withdraw. If a cash refund feature was elected, the death benefit will be paid in one lump sum to the beneficiary.

Unless the beneficiary elects otherwise, lump-sum payments will generally be made into an interest bearing retained asset account that is backed by our general account. **This account is not FDIC insured** and can be accessed by the beneficiary through a draftbook feature. The beneficiary may access the entire death benefit proceeds at any time through the draftbook without penalty. Interest credited under this account may be less than you could earn if the lump-sum payment was invested outside of the contract. Additionally, interest credited on this account may be less than under other settlement options available through the contract, and the Company seeks to earn a profit on this account.

At the time of death benefit election, the beneficiary may elect to receive the death benefit proceeds directly by check rather than through the retained asset account draftbook feature by notifying us at the address shown in the **“CONTRACT OVERVIEW – Questions: Contacting the Company”** section of this prospectus.

If the contract holder who is not the annuitant dies, income payments will continue to be paid to the payee in the form specified in the contract. If no payee survives the death of the contract holder, income payments will be made to the annuitant. Such payments will be paid at least as rapidly as under the method of distribution then in effect.

Death Benefit Amount. If you elect a right to withdraw, the death benefit value will be determined as described under “Withdrawal” in this Appendix. No early withdrawal charge will apply. If the contract is issued with guaranteed payments and with no right to withdraw, the rate used to determine the value of the remaining guaranteed payments will be the fixed annuity present value interest rate shown in the contract.

The value of the death benefit will be determined as of the next valuation following the Company’s receipt at its Customer Service Center of proof of death acceptable to us and a request for payment in good order.

APPENDIX II

DESCRIPTION OF UNDERLYING FUNDS

List of Fund Name Changes

| Former Fund Name | New Fund Name |
|---|---|
| ING Baron Small Cap Growth Portfolio | ING Baron Growth Portfolio |
| Lord Abbett Series Fund – Mid-Cap Value Portfolio | Lord Abbett Series Fund – Mid Cap Stock 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. If you have received a summary prospectus for any of the funds available through your contract, you may obtain a full prospectus and other fund information free of charge by either accessing the internet address, calling the telephone number or sending an email request to the email address shown on the front of the fund’s summary prospectus.

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

| Fund Name Investment Adviser/Subadviser | Investment Objective(s) |
|---|---|
| Calvert VP SRI Balanced Portfolio Investment Adviser: Calvert Investment Management, Inc. (effective 4/30/11) Subadvisers: (equity Portion of Portfolio): New Amsterdam Partners LLC Calvert manages the fixed-income portion of the 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 criteria, including financial, sustainability and social responsibility factors. |
| Fidelity® VIP Contrafund® Portfolio Investment Adviser: Fidelity Management & Research Company (“FMR”) Subadvisers: FMR Co., Inc. (“FMRC”) and other investment advisers | Seeks long-term capital appreciation. |

| Fund Name Investment Adviser/Subadviser | Investment Objective(s) |
|--|---|
| Fidelity® VIP Equity-Income Portfolio Investment Adviser: Fidelity Management & Research Company FMR Subadvisers: FMRC and other investment advisers | 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 S&P 500® Index. |
| Fidelity® VIP Growth Portfolio Investment Adviser: Fidelity Management & Research Company FMR Subadvisers: FMRC Inc. and other investment advisers | Seeks to achieve capital appreciation. |
| Franklin Small Cap Value Securities Fund Investment Adviser: Franklin Advisory Services, LLC | Seeks long-term total return. The Fund normally invests at least 80% of its net assets in investments of small capitalization companies. |
| ING American Century Small-Mid Cap Value Portfolio Investment Adviser: Directed Services LLC Subadviser: American Century Investment Management, Inc. | Seeks long-term capital growth; income is a secondary objective. |
| ING Balanced Portfolio Investment Adviser: ING Investments, LLC Subadviser: ING Investment Management Co. LLC | Seeks total return consisting of capital appreciation (both realized and unrealized) and current income; the secondary investment objective is long-term capital appreciation. |
| ING Baron Growth Portfolio Investment Adviser: Directed Services LLC Subadviser: BAMCO, Inc. | Seeks capital appreciation. |
| ING BlackRock Large Cap Growth Portfolio Investment Adviser: Directed Services LLC Subadviser: BlackRock Investment Management, LLC | Seeks long-term growth of capital. |
| ING Clarion Real Estate Portfolio Investment Adviser: Directed Services LLC Subadviser: CBRE Clarion Securities LLC | A <i>non-diversified</i> portfolio that seeks total return including capital appreciation and current income. |
| ING Davis New York Venture Portfolio Investment Adviser: Directed Services LLC Subadviser: Davis Selected Advisers, L.P. | Seeks long-term growth of capital. |

| Fund Name Investment Adviser/Subadviser | Investment Objective(s) |
|---|---|
| ING Global Bond Portfolio Investment Adviser: Directed Services LLC Subadviser: ING Investment Management Co. LLC | Seeks to maximize total return through a combination of current income and capital appreciation. |
| ING Growth and Income Portfolio Investment Adviser: ING Investments, LLC Subadviser: ING Investment Management Co. LLC | Seeks to maximize total return through investments in a diversified portfolio of common stocks and securities convertible into common stocks. It is anticipated that capital appreciation and investment income will both be major factors in achieving total return.. |
| ING Index Plus LargeCap Portfolio Investment Adviser: ING Investments, LLC Subadviser: ING Investment Management Co. LLC | Seeks to outperform the total return performance of the S&P 500 Index, while maintaining a market level of risk. |
| ING Index Plus MidCap Portfolio Investment Adviser: ING Investments, LLC Subadviser: ING Investment Management Co. LLC | Seeks to outperform the total return performance of the Standard and Poor's MidCap 400 Index, while maintaining a market level of risk. |
| ING Index Plus SmallCap Portfolio Investment Adviser: ING Investments, LLC Subadviser: ING Investment Management Co. LLC | Seeks to outperform the total return performance of the Standard and Poor's SmallCap 600 Index, while maintaining a market level of risk. |
| ING Intermediate Bond Portfolio Investment Adviser: ING Investments, LLC Subadviser: ING Investment Management Co. LLC | Seeks to maximize total return consistent with reasonable risk. The Portfolio seeks its objective through investments in a diversified portfolio consisting primarily of debt securities. It is anticipated that capital appreciation and investment income will both be major factors in achieving total return. |
| ING International Index Portfolio Investment Adviser: ING Investments, LLC Subadviser: ING Investment Management Co. LLC | Seeks investment results (before fees and expenses) that correspond to the total return (which includes capital appreciation and income) of a widely accepted International Index. |
| ING International Value Portfolio Investment Adviser: ING Investments, LLC Subadviser: ING Investment Management Co. LLC | Seeks long-term capital appreciation. |
| ING Invesco Van Kampen Comstock Portfolio Investment Adviser: Directed Services LLC Subadviser: Invesco Advisers, Inc. | Seeks capital growth and income. |

| Fund Name Investment Adviser/Subadviser | Investment Objective(s) |
|--|--|
| ING Invesco Van Kampen Equity and Income Portfolio Investment Adviser: Directed Services LLC Subadviser: Invesco Advisers, Inc. | Seeks total return, consisting of long-term capital appreciation and current income. |
| ING JPMorgan Mid Cap Value Portfolio Investment Adviser: Directed Services LLC Subadviser: J.P. Morgan Investment Management Inc. | Seeks growth from capital appreciation. |
| ING Large Cap Growth Portfolio Investment Adviser: Directed Services LLC Subadviser: ING Investment Management Co. LLC | Seeks long-term capital growth. |
| ING Large Cap Value Portfolio Investment Adviser: Directed Services LLC Subadviser: ING Investment Management Co. LLC | Seeks long-term growth of capital and current income. |
| ING Money Market Portfolio* Investment Adviser: ING Investments, LLC Subadviser: ING Investment Management Co. LLC * There is no guarantee that the ING Money Market Portfolio subaccount will have a positive or level return. | 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. |
| ING Oppenheimer Global Portfolio Investment Adviser: Directed Services LLC Subadviser: OppenheimerFunds, Inc. | Seeks capital appreciation. |
| ING PIMCO Total Return Portfolio Investment Adviser: Directed Services LLC Subadviser: Pacific Investment Management Company LLC | Seeks maximum total return, consistent with capital preservation and prudent investment management. |
| ING Pioneer Fund Portfolio Investment Adviser: Directed Services LLC Subadviser: Pioneer Investment Management, Inc. | Seeks reasonable income and capital growth. |

| Fund Name Investment Adviser/Subadviser | Investment Objective(s) |
|---|--|
| ING Pioneer High Yield Portfolio Investment Adviser: Directed Services LLC Subadviser: Pioneer Investment Management, Inc. | Seeks to maximize total return through income and capital appreciation. |
| ING Pioneer Mid Cap Value Portfolio Investment Adviser: Directed Services LLC Subadviser: Pioneer Investment Management, Inc. | Seeks capital appreciation. |
| ING RussellTM Large Cap Growth Index Portfolio Investment Adviser: ING Investments, LLC Subadviser: ING Investment Management Co. LLC | A <i>non-diversified</i> Portfolio that seeks investment results (before fees and expenses) that correspond to the total return (which includes capital appreciation and income) of the Russell Top 200 [®] Growth Index. |
| ING RussellTM Large Cap Index Portfolio Investment Adviser: ING Investments, LLC Subadviser: ING Investment Management Co. LLC | Seeks investment results (before fees and expenses) that correspond to the total return (which includes capital appreciation and income) of the Russell Top 200 [®] Index. |
| ING Small Company Portfolio Investment Adviser: ING Investments, LLC Subadviser: ING Investment Management Co. LLC | Seeks growth of capital primarily through investment in a diversified portfolio of common stocks of companies with smaller market capitalizations. |
| ING Strategic Allocation Conservative Portfolio Investment Adviser: ING Investments, LLC Subadviser: ING Investment Management Co. LLC | Seeks to provide total return (i.e., income and capital growth, both realized and unrealized) consistent with preservation of capital. |
| ING Strategic Allocation Growth Portfolio Investment Adviser: ING Investments, LLC Subadviser: ING Investment Management Co. LLC | Seeks to provide capital appreciation. |
| ING Strategic Allocation Moderate Portfolio Investment Adviser: ING Investments, LLC Subadviser: ING Investment Management Co. LLC | Seeks to provide total return (i.e., income and capital appreciation, both realized and unrealized). |
| ING T. Rowe Price Diversified Mid Cap Growth Portfolio Investment Adviser: Directed Services LLC Subadviser: T. Rowe Price Associates, Inc. | Seeks long-term capital appreciation. |
| ING T. Rowe Price Equity Income Portfolio Investment Adviser: 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 T. Rowe Price Growth Equity Portfolio Investment Adviser: Directed Services LLC Subadviser: T. Rowe Price Associates, Inc. | Seeks long-term capital growth, and secondarily, increasing dividend income. |
| ING Templeton Foreign Equity Portfolio Investment Adviser: Directed Services LLC Subadviser: Templeton Investment Counsel, LLC | Seeks long-term capital growth. |
| ING Thornburg Value Portfolio Investment Adviser: Directed Services LLC Subadviser: Thornburg Investment Management, Inc. | Seeks long-term capital appreciation, and secondarily current income. |
| ING UBS U.S. Large Cap Equity Portfolio Investment Adviser: Directed Services LLC Subadviser: UBS Global Asset Management (Americas) Inc. | Seeks long-term growth of capital and future income. |
| Invesco V.I. Core Equity Fund Investment Adviser: Invesco Advisors, Inc. | Seeks long-term growth of capital. |
| Invesco Van Kampen V.I. American Franchise Fund Investment Adviser: Invesco Advisors, Inc. | Seeks capital growth. |
| Lord Abbett Series Fund, Inc. - Mid-Cap Stock Portfolio Investment Adviser: Lord, Abbett & Co. LLC (Lord Abbett) | The Fund seeks capital appreciation through investments, primarily in equity securities, which are believed to be undervalued in the marketplace. |

APPENDIX III

CALCULATION OF PRESENT VALUE OF REMAINING GUARANTEED VARIABLE OR FIXED INCOME PAYMENTS

To the extent that the contracts allow for the full or partial withdrawal of the present value of remaining guaranteed variable or fixed income payments, the present value for each will be calculated as follows:

Withdrawals - Variable Income

The present value of remaining guaranteed variable income payments is calculated as follows:

$$\text{Present Value} = [\text{Units} \times \text{Current Unit Value}] \times \text{Annuity Factor}$$

Where Annuity Factor equals:

$$\text{Annuity Factor} = [(1 - v^n) / d] \times \{ 1 / [(1 + i) ^ { (b / (365 / m)) }] \}$$

Notes: $[(1 - v^n) / d]$ is the present value of \$1 / mode with the first payment due immediately.

$\{ 1 / [(1 + i) ^ { (b / (365 / m)) }] \}$ is a discount factor representing the time value difference between the first payment being due immediately and the actual number of days before the first payment is due.

Where:

$$i = [(1 + \text{AIR}) ^ { (1 / \text{mode}) }] - 1$$

$$v = 1 / (1 + i)$$

$$d = i / (1 + i)$$

n = number of remaining guaranteed payments

m = number of payments per year (mode)

b = days until the next scheduled payment

This is calculated for each fund held and summed for a total present value amount.

Withdrawals - Fixed Income

The present value of remaining guaranteed fixed income payments is calculated as follows:

$$\text{Present Value} = \text{Fixed Benefit} \times \text{Annuity Factor}$$

Where Annuity Factor equals:

$$\text{Annuity Factor} = \left[(1 - v^n) / d \right] \times \left\{ 1 / \left[(1 + i)^{b / (365 / m)} \right] \right\}$$

Notes: $\left[(1 - v^n) / d \right]$ is the present value of \$1 / mode with the first payment due immediately.

$\left\{ 1 / \left[(1 + i)^{b / (365 / m)} \right] \right\}$ is a discount factor representing the time value difference between the first payment being due immediately and the actual number of days before the first payment is due.

Where:

$$i = [(1 + \text{adjusted contract rate})^{1 / \text{mode}}] - 1$$

$$v = 1 / (1 + i)$$

$$d = i / (1 + i)$$

n = number of remaining guaranteed payments

m = number of payments per year (mode)

b = days until the next scheduled payment

Examples

Withdrawal (assuming variable income with one fund)

The present value of remaining guaranteed variable income payments is calculated as follows (assumes 24 remaining monthly payments will be fully withdrawn):

Let Units = 10 and Current Unit Value = \$15,

$$\text{Present Value} = 10 \times \$15 \times 23.1825 = \$3,477.37$$

Where Annuity Factor equals:

$$\left[(1 - 0.997137^{24}) / 0.002863 \right] \times \left\{ 1 / \left[(1 + 0.002871)^{20 / (365 / 12)} \right] \right\} = 23.1825$$

Where:

Let AIR = 3.5%

$$i = [(1 + 0.035)^{1 / 12}] - 1 = 0.002871$$

$$v = 1 / (1 + 0.002871) = 0.997137$$

$$d = 0.002871 / (1 + 0.002871) = 0.002863$$

$$n = 24$$

$$m = 12$$

$$b = 20$$

Withdrawals (assuming fixed income)

The present value of remaining guaranteed fixed income payments is calculated as follows (assumes 24 remaining monthly payments will be fully withdrawn) (using equivalent assumptions as the variable example to see the similarity):

Let Fixed Benefit = \$150,

Present Value = \$150 x 23.1825 = \$3,477.37

Where Annuity Factor equals:

$$\left[(1 - 0.997137^{24}) / 0.002863 \right] \times \left\{ 1 / \left[(1 + 0.002871)^{(20 / (365 / 12))} \right] \right\} \\ = 23.1825$$

Where:

Let the Adjusted Contract Rate = 3.5%

$$i = [(1 + 0.035)^{(1 / 12)}] - 1 = 0.002871$$

$$v = 1 / (1 + 0.002871) = 0.997137$$

$$d = 0.002871 / (1 + 0.002871) = 0.002863$$

$$n = 24$$

$$m = 12$$

$$b = 20$$

APPENDIX IV **CONDENSED FINANCIAL INFORMATION**

Fund name changes after December 31, 2011 are not reflected in the following information.

TABLE I
FOR CONTRACTS WITH TOTAL SEPARATE ACCOUNT CHARGES OF 0.95%
ASSUMED ANNUAL NET RETURN RATE OF 3.50%
(Selected data for annuity units outstanding throughout each period, unaudited)

| | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| CALVERT VP SRI BALANCED PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$9.00 | \$8.39 | \$6.99 | \$10.64 | \$10.83 | \$10.40 | \$10.27 | \$10.03 |
| Value at end of period | \$9.00 | \$9.00 | \$8.39 | \$6.99 | \$10.64 | \$10.83 | \$10.40 | \$10.27 |
| FIDELITY® VIP CONTRAFUND® PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$11.82 | \$10.53 | \$8.11 | \$14.74 | \$13.10 | \$12.26 | \$10.95 | \$10.02 |
| Value at end of period | \$11.02 | \$11.82 | \$10.53 | \$8.11 | \$14.74 | \$13.10 | \$12.26 | \$10.95 |
| FIDELITY® VIP EQUITY-INCOME PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$9.02 | \$8.19 | \$6.57 | \$11.97 | \$12.33 | \$10.71 | \$10.57 | \$10.03 |
| Value at end of period | \$8.71 | \$9.02 | \$8.19 | \$6.57 | \$11.97 | \$12.33 | \$10.71 | \$10.57 |
| FIDELITY® VIP GROWTH PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$8.85 | \$7.46 | \$6.07 | \$12.01 | \$9.89 | \$9.67 | \$9.55 | \$10.08 |
| Value at end of period | \$8.49 | \$8.85 | \$7.46 | \$6.07 | \$12.01 | \$9.89 | \$9.67 | \$9.55 |
| FRANKLIN SMALL CAP VALUE SECURITIES FUND (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$12.50 | \$10.19 | \$8.24 | \$12.86 | \$13.76 | \$12.29 | \$11.81 | \$10.02 |
| Value at end of period | \$11.51 | \$12.50 | \$10.19 | \$8.24 | \$12.86 | \$13.76 | \$12.29 | \$11.81 |
| ING AMERICAN CENTURY SMALL-MID CAP VALUE PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$12.88 | \$11.03 | \$8.49 | \$12.08 | \$13.00 | \$11.77 | \$11.40 | \$10.06 |
| Value at end of period | \$11.93 | \$12.88 | \$11.03 | \$8.49 | \$12.08 | \$13.00 | \$11.77 | \$11.40 |
| ING BALANCED PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$9.42 | \$8.63 | \$7.56 | \$10.99 | \$10.88 | \$10.33 | \$10.36 | \$10.03 |
| Value at end of period | \$8.90 | \$9.42 | \$8.63 | \$7.56 | \$10.99 | \$10.88 | \$10.33 | \$10.36 |
| ING BARON SMALL CAP GROWTH PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$12.30 | \$10.16 | \$7.85 | \$13.96 | \$13.75 | \$12.47 | \$12.14 | \$10.05 |
| Value at end of period | \$12.03 | \$12.30 | \$10.16 | \$7.85 | \$13.96 | \$13.75 | \$12.47 | \$12.14 |
| ING BLACKROCK LARGE CAP GROWTH PORTFOLIO (Funds were first received in this option during April 2007) | | | | | | | | |
| Value at beginning of period | \$7.60 | \$6.99 | \$5.59 | \$9.57 | \$10.03 | | | |
| Value at end of period | \$7.18 | \$7.60 | \$6.99 | \$5.59 | \$9.57 | | | |
| ING CLARION REAL ESTATE PORTFOLIO (Funds were first received in this option during April 2006) | | | | | | | | |
| Value at beginning of period | \$8.99 | \$7.32 | \$5.62 | \$9.52 | \$12.06 | \$10.00 | | |
| Value at end of period | \$9.44 | \$8.99 | \$7.32 | \$5.62 | \$9.52 | \$12.06 | | |

Condensed Financial Information (continued)

| | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| ING DAVIS NEW YORK VENTURE PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$8.50 | \$7.93 | \$6.29 | \$10.82 | \$10.86 | \$9.96 | \$10.02 | \$10.08 |
| Value at end of period | \$7.76 | \$8.50 | \$7.93 | \$6.29 | \$10.82 | \$10.86 | \$9.96 | \$10.02 |
| ING GLOBAL BOND PORTFOLIO (Funds were first received in this option during April 2005) | | | | | | | | |
| Value at beginning of period | \$11.15 | \$10.06 | \$8.64 | \$10.69 | \$10.27 | \$9.90 | \$9.79 | |
| Value at end of period | \$11.07 | \$11.15 | \$10.06 | \$8.64 | \$10.69 | \$10.27 | \$9.90 | |
| ING GROWTH AND INCOME PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$9.68 | \$8.86 | \$7.11 | \$11.92 | \$11.60 | \$10.61 | \$10.25 | \$10.04 |
| Value at end of period | \$9.24 | \$9.68 | \$8.86 | \$7.11 | \$11.92 | \$11.60 | \$10.61 | \$10.25 |
| ING INDEX PLUS LARGE CAP PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$9.01 | \$8.26 | \$7.01 | \$11.66 | \$11.61 | \$10.58 | \$10.49 | \$10.05 |
| Value at end of period | \$8.62 | \$9.01 | \$8.26 | \$7.01 | \$11.66 | \$11.61 | \$10.58 | \$10.49 |
| ING INDEX PLUS MIDCAP PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$10.90 | \$9.34 | \$7.41 | \$12.40 | \$12.29 | \$11.73 | \$11.03 | \$10.05 |
| Value at end of period | \$10.31 | \$10.90 | \$9.34 | \$7.41 | \$12.40 | \$12.29 | \$11.73 | \$11.03 |
| ING INDEX PLUS SMALLCAP PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$10.34 | \$8.79 | \$7.36 | \$11.58 | \$12.90 | \$11.85 | \$11.50 | \$10.09 |
| Value at end of period | \$9.82 | \$10.34 | \$8.79 | \$7.36 | \$11.58 | \$12.90 | \$11.85 | \$11.50 |
| ING INTERMEDIATE BOND PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$9.74 | \$9.27 | \$8.68 | \$9.91 | \$9.77 | \$9.81 | \$9.94 | \$10.00 |
| Value at end of period | \$10.03 | \$9.74 | \$9.27 | \$8.68 | \$9.91 | \$9.77 | \$9.81 | \$9.94 |
| ING INTERNATIONAL INDEX PORTFOLIO (Funds were first received in this option during December 2009) | | | | | | | | |
| Value at beginning of period | \$13.55 | \$13.13 | \$12.24 | | | | | |
| Value at end of period | \$11.39 | \$13.55 | \$13.13 | | | | | |
| ING INTERNATIONAL VALUE PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$10.10 | \$10.29 | \$8.46 | \$15.44 | \$14.22 | \$11.48 | \$10.96 | \$9.95 |
| Value at end of period | \$8.22 | \$10.10 | \$10.29 | \$8.46 | \$15.44 | \$14.22 | \$11.48 | \$10.96 |
| ING INVESCO VAN KAMPEN COMSTOCK PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$9.34 | \$8.47 | \$6.89 | \$11.33 | \$12.12 | \$10.93 | \$11.04 | \$10.04 |
| Value at end of period | \$8.75 | \$9.34 | \$8.47 | \$6.89 | \$11.33 | \$12.12 | \$10.93 | \$11.04 |
| ING INVESCO VAN KAMPEN EQUITY AND INCOME PORTFOLIO (Funds were first received in this option during April 2005) | | | | | | | | |
| Value at beginning of period | \$10.44 | \$9.72 | \$8.27 | \$11.28 | \$11.39 | \$10.45 | \$10.56 | |
| Value at end of period | \$9.89 | \$10.44 | \$9.72 | \$8.27 | \$11.28 | \$11.39 | \$10.56 | \$10.45 |
| ING JPMORGAN MID CAP VALUE PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$11.82 | \$10.04 | \$8.35 | \$13.03 | \$13.31 | \$11.94 | \$11.50 | \$10.04 |
| Value at end of period | \$11.52 | \$11.82 | \$10.04 | \$8.35 | \$13.03 | \$13.31 | \$11.94 | \$11.50 |

Condensed Financial Information (continued)

| | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| ING LARGE CAP GROWTH PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2011) | | | | | | | | |
| Value at beginning of period | \$11.67 | | | | | | | |
| Value at end of period | \$11.32 | | | | | | | |
| ING LARGE CAP VALUE PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during August 2006) | | | | | | | | |
| Value at beginning of period | \$7.20 | \$6.31 | \$5.85 | \$8.75 | \$9.82 | \$10.00 | | |
| Value at end of period | \$7.14 | \$7.20 | \$6.31 | \$5.85 | \$8.75 | \$9.82 | | |
| ING MONEY MARKET PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$8.72 | \$9.09 | \$9.47 | \$9.64 | \$9.58 | \$9.54 | \$9.68 | \$10.00 |
| Value at end of period | \$8.35 | \$8.72 | \$9.09 | \$9.47 | \$9.64 | \$9.58 | \$9.54 | \$9.68 |
| ING OPPENHEIMER GLOBAL PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during April 2005) | | | | | | | | |
| Value at beginning of period | \$11.109 | \$9.99 | \$7.48 | \$13.28 | \$12.84 | \$11.25 | \$11.37 | |
| Value at end of period | \$9.76 | \$11.109 | \$9.99 | \$7.48 | \$13.28 | \$12.84 | \$11.25 | |
| ING PIMCO TOTAL RETURN PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$10.68 | \$10.38 | \$9.63 | \$10.08 | \$9.63 | \$9.67 | \$9.90 | \$10.00 |
| Value at end of period | \$10.56 | \$10.68 | \$10.38 | \$9.63 | \$10.08 | \$9.63 | \$9.67 | \$9.90 |
| ING PIONEER FUND PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2006) | | | | | | | | |
| Value at beginning of period | \$9.59 | \$8.63 | \$7.25 | \$11.57 | \$11.47 | \$10.24 | | |
| Value at end of period | \$8.79 | \$9.59 | \$8.63 | \$7.25 | \$11.57 | \$11.47 | | |
| ING PIONEER HIGH YIELD PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during April 2006) | | | | | | | | |
| Value at beginning of period | \$12.99 | \$11.37 | \$7.10 | \$10.51 | \$10.35 | \$10.00 | | |
| Value at end of period | \$12.34 | \$12.99 | \$11.37 | \$7.10 | \$10.51 | \$10.35 | | |
| ING PIONEER MID CAP VALUE PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during April 2006) | | | | | | | | |
| Value at beginning of period | \$9.15 | \$8.09 | \$6.74 | \$10.50 | \$10.38 | \$10.00 | | |
| Value at end of period | \$8.34 | \$9.15 | \$8.09 | \$6.74 | \$10.50 | \$10.38 | | |
| ING RUSSELL™ LARGE CAP GROWTH INDEX PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during August 2009) | | | | | | | | |
| Value at beginning of period | \$13.46 | \$12.47 | \$11.19 | | | | | |
| Value at end of period | \$13.42 | \$13.46 | \$12.47 | | | | | |
| ING RUSSELL™ LARGE CAP INDEX PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during August 2009) | | | | | | | | |
| Value at beginning of period | \$13.37 | \$12.47 | \$11.45 | | | | | |
| Value at end of period | \$13.07 | \$13.37 | \$12.47 | | | | | |
| ING SMALL COMPANY PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$12.23 | \$10.28 | \$8.42 | \$12.76 | \$12.59 | \$11.26 | \$10.67 | \$10.14 |
| Value at end of period | \$11.42 | \$12.23 | \$10.28 | \$8.42 | \$12.76 | \$12.59 | \$11.26 | \$10.67 |
| ING STRATEGIC ALLOCATION CONSERVATIVE PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$9.38 | \$8.82 | \$7.82 | \$10.69 | \$10.56 | \$10.18 | \$10.25 | \$10.03 |
| Value at end of period | \$9.13 | \$9.38 | \$8.82 | \$7.82 | \$10.69 | \$10.56 | \$10.18 | \$10.25 |

Condensed Financial Information (continued)

| | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| ING STRATEGIC ALLOCATION GROWTH PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$9.31 | \$8.61 | \$7.18 | \$11.74 | \$11.68 | \$10.78 | \$10.60 | \$10.03 |
| Value at end of period | \$8.65 | \$9.31 | \$8.61 | \$7.18 | \$11.74 | \$11.68 | \$10.78 | \$10.60 |
| ING STRATEGIC ALLOCATION MODERATE PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$9.35 | \$8.72 | \$7.48 | \$11.24 | \$11.14 | \$10.47 | \$10.45 | \$10.04 |
| Value at end of period | \$8.90 | \$9.35 | \$8.72 | \$7.48 | \$11.24 | \$11.14 | \$10.47 | \$10.45 |
| ING T. ROWE PRICE DIVERSIFIED MID CAP GROWTH PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$11.93 | \$9.70 | \$6.92 | \$12.72 | \$11.73 | \$11.23 | \$9.94 | \$10.07 |
| Value at end of period | \$10.99 | \$11.93 | \$9.70 | \$6.92 | \$11.73 | \$11.23 | \$9.94 | \$10.07 |
| ING T. ROWE PRICE EQUITY INCOME PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during August 2009) | | | | | | | | |
| Value at beginning of period | \$13.94 | \$12.68 | \$11.81 | | | | | |
| Value at end of period | \$13.23 | \$13.94 | \$12.68 | | | | | |
| ING T. ROWE PRICE GROWTH EQUITY PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$10.19 | \$9.11 | \$6.66 | \$12.05 | \$11.46 | \$10.56 | \$10.40 | \$10.01 |
| Value at end of period | \$9.65 | \$10.19 | \$9.11 | \$6.66 | \$12.05 | \$11.46 | \$10.56 | \$10.40 |
| ING TEMPLETON FOREIGN EQUITY PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during April 2008) | | | | | | | | |
| Value at beginning of period | \$8.05 | \$7.72 | \$6.25 | \$10.13 | | | | |
| Value at end of period | \$6.78 | \$8.05 | \$7.72 | \$6.25 | | | | |
| ING THORNBURG VALUE PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$10.03 | \$9.41 | \$6.79 | \$11.78 | \$11.49 | \$10.27 | \$10.57 | \$10.04 |
| Value at end of period | \$8.34 | \$10.03 | \$9.41 | \$6.79 | \$11.78 | \$11.49 | \$10.27 | \$10.57 |
| ING UBS U.S. LARGE CAP EQUITY PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$9.45 | \$8.70 | \$6.90 | \$11.97 | \$12.37 | \$11.29 | \$10.78 | \$10.06 |
| Value at end of period | \$8.81 | \$9.45 | \$8.70 | \$6.90 | \$11.97 | \$12.37 | \$11.29 | \$10.78 |
| INVESCO V.I. CAPITAL APPRECIATION FUND | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$8.04 | \$7.28 | \$6.28 | \$11.41 | \$10.65 | \$10.46 | \$10.04 | \$10.07 |
| Value at end of period | \$7.09 | \$8.04 | \$7.28 | \$6.28 | \$11.41 | \$10.65 | \$10.46 | \$10.04 |
| INVESCO V.I. CORE EQUITY FUND | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$10.41 | \$9.93 | \$8.09 | \$12.10 | \$11.70 | \$10.47 | \$10.39 | \$10.03 |
| Value at end of period | \$9.96 | \$10.41 | \$9.93 | \$8.09 | \$12.10 | \$11.70 | \$10.47 | \$10.39 |
| LORD ABBETT SERIES FUND - MID-CAP VALUE PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$10.71 | \$8.92 | \$7.36 | \$12.69 | \$13.18 | \$12.27 | \$11.85 | \$10.07 |
| Value at end of period | \$9.84 | \$10.71 | \$8.92 | \$7.36 | \$12.69 | \$13.18 | \$12.27 | \$11.85 |

Condensed Financial Information (continued)

TABLE II

FOR CONTRACTS WITH TOTAL SEPARATE ACCOUNT CHARGES OF 0.95%
ASSUMED ANNUAL NET RETURN RATE OF 5.00%

(Selected data for annuity units outstanding throughout each period, unaudited)

| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|
| CALVERT VP SRI BALANCED PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$8.14 | \$7.70 | \$6.51 | \$10.05 | \$10.37 | \$10.11 | \$10.13 | \$10.03 |
| Value at end of period | \$8.03 | \$8.14 | \$7.70 | \$6.51 | \$10.05 | \$10.37 | \$10.11 | \$10.13 |
| FIDELITY® VIP CONTRAFUND® PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$10.69 | \$9.67 | \$7.55 | \$13.92 | \$12.56 | \$11.91 | \$10.80 | \$10.02 |
| Value at end of period | \$9.83 | \$10.69 | \$9.67 | \$7.55 | \$13.92 | \$12.56 | \$11.91 | \$10.80 |
| FIDELITY® VIP EQUITY-INCOME PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$8.16 | \$7.51 | \$6.12 | \$11.31 | \$11.81 | \$10.41 | \$10.43 | \$10.03 |
| Value at end of period | \$7.77 | \$8.16 | \$7.51 | \$6.12 | \$11.81 | \$11.81 | \$10.41 | \$10.43 |
| FIDELITY® VIP GROWTH PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$8.01 | \$6.84 | \$5.65 | \$11.34 | \$9.47 | \$9.40 | \$9.41 | \$10.08 |
| Value at end of period | \$7.57 | \$8.01 | \$6.84 | \$5.65 | \$11.34 | \$9.47 | \$9.40 | \$9.41 |
| FRANKLIN SMALL CAP VALUE SECURITIES FUND (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$11.31 | \$9.35 | \$7.67 | \$12.14 | \$13.19 | \$11.95 | \$11.64 | \$10.02 |
| Value at end of period | \$10.27 | \$11.31 | \$9.35 | \$7.67 | \$12.14 | \$13.19 | \$11.95 | \$11.64 |
| ING AMERICAN CENTURY SMALL-MID CAP VALUE PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$11.65 | \$10.12 | \$7.90 | \$11.41 | \$12.46 | \$11.44 | \$11.24 | \$10.06 |
| Value at end of period | \$10.64 | \$11.65 | \$10.12 | \$7.90 | \$11.41 | \$12.46 | \$11.44 | \$11.24 |
| ING BALANCED PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$8.52 | \$7.92 | \$7.04 | \$10.38 | \$10.43 | \$10.05 | \$10.21 | \$10.03 |
| Value at end of period | \$7.94 | \$8.52 | \$7.92 | \$7.04 | \$10.38 | \$11.94 | \$10.05 | \$10.21 |
| ING BARON SMALL CAP GROWTH PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$11.12 | \$9.32 | \$7.31 | \$13.19 | \$13.18 | \$12.12 | \$11.97 | \$10.05 |
| Value at end of period | \$10.73 | \$11.12 | \$9.32 | \$7.31 | \$13.19 | \$13.18 | \$12.12 | \$11.97 |
| ING BLACKROCK LARGE CAP GROWTH PORTFOLIO (Funds were first received in this option during April 2007) | | | | | | | | |
| Value at beginning of period | \$7.21 | \$6.73 | \$5.46 | \$9.48 | \$10.03 | | | |
| Value at end of period | \$6.71 | \$7.21 | \$6.73 | \$5.46 | \$9.48 | | | |
| ING CLARION REAL ESTATE PORTFOLIO (Funds were first received in this option during April 2006) | | | | | | | | |
| Value at beginning of period | \$8.40 | \$6.94 | \$5.41 | \$9.29 | \$9.57 | \$10.00 | | |
| Value at end of period | \$8.70 | \$8.40 | \$6.94 | \$5.41 | \$9.29 | \$9.57 | | |
| ING DAVIS NEW YORK VENTURE PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$7.69 | \$7.27 | \$5.86 | \$10.22 | \$10.40 | \$9.69 | \$9.88 | \$10.08 |
| Value at end of period | \$6.92 | \$7.69 | \$7.27 | \$5.86 | \$10.22 | \$10.40 | \$9.69 | \$9.88 |

Condensed Financial Information (continued)

| | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| ING GLOBAL BOND PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2006) | | | | | | | | |
| Value at beginning of period | \$10.27 | \$9.40 | \$8.19 | \$10.28 | \$10.02 | \$9.79 | | |
| Value at end of period | \$10.05 | \$10.27 | \$9.40 | \$8.19 | \$10.28 | \$10.02 | | |
| ING GROWTH AND INCOME PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$8.76 | \$8.13 | \$6.62 | \$11.25 | \$11.11 | \$10.31 | \$10.11 | \$10.04 |
| Value at end of period | \$8.24 | \$8.76 | \$8.13 | \$6.62 | \$11.25 | \$10.43 | \$10.31 | \$10.11 |
| ING INDEX PLUS LARGE CAP PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$8.15 | \$7.58 | \$6.52 | \$11.02 | \$11.12 | \$10.29 | \$10.35 | \$10.05 |
| Value at end of period | \$7.68 | \$8.15 | \$7.58 | \$6.52 | \$11.02 | \$11.12 | \$10.29 | \$10.35 |
| ING INDEX PLUS MIDCAP PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$9.86 | \$8.57 | \$6.90 | \$11.71 | \$11.77 | \$11.40 | \$10.87 | \$10.05 |
| Value at end of period | \$9.19 | \$9.86 | \$8.57 | \$6.90 | \$11.71 | \$11.77 | \$11.40 | \$10.87 |
| ING INDEX PLUS SMALLCAP PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$9.35 | \$8.07 | \$6.85 | \$10.93 | \$12.36 | \$11.51 | \$11.34 | \$10.09 |
| Value at end of period | \$8.76 | \$9.35 | \$8.07 | \$6.85 | \$10.93 | \$12.36 | \$11.51 | \$11.34 |
| ING INTERMEDIATE BOND PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$8.81 | \$8.50 | \$8.08 | \$9.36 | \$9.36 | \$9.53 | \$9.80 | \$10.00 |
| Value at end of period | \$8.94 | \$8.81 | \$8.50 | \$8.08 | \$9.36 | \$9.53 | \$9.80 | \$9.80 |
| ING INTERNATIONAL INDEX PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during December 2009) | | | | | | | | |
| Value at beginning of period | \$13.23 | \$13.00 | \$12.19 | | | | | |
| Value at end of period | \$10.96 | \$13.23 | \$13.00 | | | | | |
| ING INTERNATIONAL VALUE PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$9.13 | \$9.44 | \$7.87 | \$14.58 | \$13.63 | \$11.16 | \$10.81 | \$9.95 |
| Value at end of period | \$7.33 | \$9.13 | \$9.44 | \$7.87 | \$14.58 | \$13.63 | \$11.16 | \$10.81 |
| ING INVESCO VAN KAMPEN COMSTOCK PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$8.45 | \$7.78 | \$6.41 | \$10.70 | \$11.62 | \$10.63 | \$10.88 | \$10.04 |
| Value at end of period | \$7.80 | \$8.45 | \$7.78 | \$6.41 | \$10.70 | \$11.62 | \$10.63 | \$10.88 |
| ING INVESCO VAN KAMPEN EQUITY AND INCOME PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during April 2006) | | | | | | | | |
| Value at beginning of period | \$9.62 | \$9.08 | \$7.84 | \$10.85 | \$9.57 | \$10.00 | | |
| Value at end of period | \$8.98 | \$9.62 | \$9.08 | \$7.84 | \$10.85 | \$9.57 | | |
| ING JPMORGAN MID CAP VALUE PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$10.69 | \$9.22 | \$7.78 | \$12.31 | \$12.75 | \$11.60 | \$11.34 | \$10.04 |
| Value at end of period | \$10.27 | \$10.69 | \$9.22 | \$7.78 | \$12.31 | \$12.75 | \$11.60 | \$11.34 |
| ING LARGE CAP GROWTH PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2011) | | | | | | | | |
| Value at beginning of period | \$10.82 | | | | | | | |
| Value at end of period | \$10.35 | | | | | | | |
| ING LARGE CAP VALUE PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during August 2006) | | | | | | | | |
| Value at beginning of period | \$6.76 | \$6.00 | \$5.65 | \$8.57 | \$9.77 | \$10.00 | | |
| Value at end of period | \$6.60 | \$6.76 | \$6.00 | \$5.65 | \$8.57 | \$9.77 | | |

Condensed Financial Information (continued)

| | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| ING MONEY MARKET PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$7.89 | \$8.34 | \$8.82 | \$9.10 | \$9.18 | \$9.28 | \$9.55 | \$10.00 |
| Value at end of period | \$7.45 | \$7.89 | \$8.34 | \$8.82 | \$9.10 | \$9.18 | \$9.28 | \$9.55 |
| ING OPPENHEIMER GLOBAL PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2006) | | | | | | | | |
| Value at beginning of period | \$10.21 | \$9.33 | \$7.09 | \$12.59 | \$12.53 | \$11.25 | | |
| Value at end of period | \$8.86 | \$10.21 | \$9.33 | \$7.09 | \$12.59 | \$12.53 | | |
| ING PIMCO TOTAL RETURN PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$9.66 | \$9.52 | \$8.96 | \$9.52 | \$9.23 | \$9.40 | \$9.76 | \$10.00 |
| Value at end of period | \$9.41 | \$9.66 | \$9.52 | \$8.96 | \$9.52 | \$9.23 | \$9.40 | \$9.76 |
| ING PIONEER FUND PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2006) | | | | | | | | |
| Value at beginning of period | \$8.89 | \$8.11 | \$6.91 | \$11.19 | \$11.27 | \$10.20 | | |
| Value at end of period | \$8.03 | \$8.89 | \$8.11 | \$6.91 | \$11.19 | \$11.27 | | |
| ING PIONEER HIGH YIELD PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during April 2006) | | | | | | | | |
| Value at beginning of period | \$12.14 | \$10.78 | \$6.84 | \$10.26 | \$10.25 | \$10.00 | | |
| Value at end of period | \$11.37 | \$12.14 | \$10.78 | \$6.84 | \$10.26 | \$10.25 | | |
| ING PIONEER MID CAP VALUE PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during April 2006) | | | | | | | | |
| Value at beginning of period | \$8.55 | \$7.67 | \$6.49 | \$10.25 | \$10.28 | \$10.00 | | |
| Value at end of period | \$7.68 | \$8.55 | \$7.67 | \$6.49 | \$10.25 | \$10.28 | | |
| ING RUSSELL™ LARGE CAP GROWTH INDEX PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during August 2009) | | | | | | | | |
| Value at beginning of period | \$13.14 | \$12.35 | \$11.14 | | | | | |
| Value at end of period | \$12.92 | \$13.14 | \$12.35 | | | | | |
| ING RUSSELL™ LARGE CAP INDEX PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during August 2009) | | | | | | | | |
| Value at beginning of period | \$13.05 | \$12.35 | \$11.41 | | | | | |
| Value at end of period | \$12.58 | \$13.05 | \$12.35 | | | | | |
| ING SMALL COMPANY PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$11.06 | \$9.43 | \$7.84 | \$12.05 | \$12.06 | \$10.95 | \$10.52 | \$10.14 |
| Value at end of period | \$10.18 | \$11.06 | \$9.43 | \$7.84 | \$12.05 | \$12.06 | \$10.95 | \$10.52 |
| ING STRATEGIC ALLOCATION CONSERVATIVE PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$8.48 | \$8.09 | \$7.28 | \$10.10 | \$10.12 | \$9.90 | \$10.10 | \$10.03 |
| Value at end of period | \$8.14 | \$8.48 | \$8.09 | \$7.28 | \$10.10 | \$10.12 | \$9.90 | \$10.10 |
| ING STRATEGIC ALLOCATION GROWTH PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$8.42 | \$7.90 | \$6.69 | \$11.08 | \$11.19 | \$10.48 | \$10.46 | \$10.03 |
| Value at end of period | \$7.72 | \$8.42 | \$7.90 | \$6.69 | \$11.08 | \$11.19 | \$10.48 | \$10.46 |
| ING STRATEGIC ALLOCATION MODERATE PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$8.46 | \$8.00 | \$6.96 | \$10.62 | \$10.67 | \$10.18 | \$10.30 | \$10.04 |
| Value at end of period | \$7.93 | \$8.46 | \$8.00 | \$6.96 | \$10.62 | \$10.67 | \$10.18 | \$10.30 |

Condensed Financial Information (continued)

ING T. ROWE PRICE DIVERSIFIED MID CAP GROWTH PORTFOLIO

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

Value at beginning of period

Value at end of period

ING T. ROWE PRICE EQUITY INCOME PORTFOLIO

(Funds were first received in this option during August 2009)

Value at beginning of period

Value at end of period

ING T. ROWE PRICE GROWTH EQUITY PORTFOLIO

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

Value at beginning of period

Value at end of period

ING TEMPLETON FOREIGN EQUITY PORTFOLIO

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

Value at beginning of period

Value at end of period

ING THORNBURG VALUE PORTFOLIO

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

Value at beginning of period

Value at end of period

ING UBS U.S. LARGE CAP EQUITY PORTFOLIO

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

Value at beginning of period

Value at end of period

INVESTCO V.I. CAPITAL APPRECIATION FUND

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

Value at beginning of period

Value at end of period

INVESTCO V.I. CORE EQUITY FUND

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

Value at beginning of period

Value at end of period

LORD ABBETT SERIES FUND - MID-CAP VALUE PORTFOLIO

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

Value at beginning of period

Value at end of period

TABLE III
FOR CONTRACTS WITH TOTAL SEPARATE ACCOUNT CHARGES OF 1.95%
ASSUMED ANNUAL NET RETURN RATE OF 3.50%
(Selected data for annuity units outstanding throughout each period, unaudited)

| | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Value at beginning of period | \$10.99 | \$9.06 | \$6.56 | \$12.24 | \$11.44 | \$11.12 | \$9.80 | \$10.07 |
| Value at end of period | \$9.981 | \$10.99 | \$9.06 | \$6.56 | \$12.24 | \$11.44 | \$11.12 | \$9.80 |
| Value at beginning of period | \$13.61 | \$12.55 | \$11.76 | | | | | |
| Value at end of period | \$12.73 | \$13.61 | \$12.55 | | | | | |
| Value at beginning of period | \$9.22 | \$8.36 | \$6.20 | \$11.38 | \$10.98 | \$10.27 | \$10.25 | \$10.01 |
| Value at end of period | \$8.61 | \$9.22 | \$8.36 | \$6.20 | \$11.38 | \$10.98 | \$10.27 | \$10.25 |
| Value at beginning of period | \$7.74 | \$7.54 | \$6.25 | \$10.13 | | | | |
| Value at end of period | \$6.43 | \$7.74 | \$7.54 | \$6.25 | | | | |
| Value at beginning of period | \$9.08 | \$8.64 | \$6.33 | \$11.13 | \$11.00 | \$9.98 | \$10.42 | \$10.04 |
| Value at end of period | \$7.44 | \$9.08 | \$8.64 | \$6.33 | \$11.13 | \$11.00 | \$9.98 | \$10.42 |
| Value at beginning of period | \$8.55 | \$7.99 | \$6.43 | \$11.31 | \$11.85 | \$10.97 | \$10.63 | \$10.06 |
| Value at end of period | \$7.86 | \$8.55 | \$7.99 | \$6.43 | \$11.31 | \$11.85 | \$10.97 | \$10.63 |
| Value at beginning of period | \$7.27 | \$6.68 | \$5.85 | \$10.77 | \$10.20 | \$10.17 | \$9.90 | \$10.07 |
| Value at end of period | \$6.32 | \$7.27 | \$6.68 | \$5.85 | \$10.77 | \$10.20 | \$10.17 | \$9.90 |
| Value at beginning of period | \$9.42 | \$9.11 | \$7.53 | \$11.43 | \$11.21 | \$10.17 | \$10.24 | \$10.03 |
| Value at end of period | \$8.88 | \$9.42 | \$9.11 | \$7.53 | \$11.43 | \$11.21 | \$10.17 | \$10.24 |
| Value at beginning of period | \$9.69 | \$8.19 | \$6.85 | \$11.98 | \$12.63 | \$11.93 | \$11.68 | \$10.07 |
| Value at end of period | \$8.77 | \$9.69 | \$8.19 | \$6.85 | \$11.98 | \$12.63 | \$11.93 | \$11.68 |

CALVERT VP SRI BALANCED PORTFOLIO

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

Value at beginning of period

Value at end of period

| | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Value at beginning of period | \$8.38 | \$7.89 | \$6.65 | \$10.22 | \$10.50 | \$10.19 | \$10.17 | \$10.03 |
| Value at end of period | \$8.30 | \$8.38 | \$7.89 | \$6.65 | \$10.22 | \$10.50 | \$10.19 | \$10.17 |

Condensed Financial Information (continued)

| | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| FIDELITY® VIP EQUITY-INCOME PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$8.40 | \$7.71 | \$6.25 | \$11.50 | \$11.96 | \$10.50 | \$10.47 | \$10.03 |
| Value at end of period | \$8.04 | \$8.40 | \$7.71 | \$6.25 | \$11.50 | \$11.96 | \$10.50 | \$10.47 |
| ING BALANCED PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$8.78 | \$8.12 | \$7.19 | \$10.56 | \$10.56 | \$10.13 | \$10.26 | \$10.03 |
| Value at end of period | \$8.21 | \$8.78 | \$8.12 | \$7.19 | \$10.56 | \$10.56 | \$10.13 | \$10.26 |
| ING CLARION REAL ESTATE PORTFOLIO (Funds were first received in this option during April 2006) | | | | | | | | |
| Value at beginning of period | \$8.57 | \$7.05 | \$5.47 | \$9.36 | \$11.98 | \$10.00 | | |
| Value at end of period | \$8.91 | \$8.57 | \$7.05 | \$5.47 | \$9.36 | \$11.98 | | |
| ING GLOBAL BOND PORTFOLIO (Funds were first received in this option during April 2005) | | | | | | | | |
| Value at beginning of period | \$10.52 | \$9.59 | \$8.32 | \$10.40 | \$10.09 | \$9.72 | \$9.82 | |
| Value at end of period | \$10.34 | \$10.52 | \$9.59 | \$8.32 | \$10.40 | \$10.09 | \$9.72 | |
| ING GROWTH AND INCOME PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$9.02 | \$8.34 | \$6.76 | \$11.44 | \$11.25 | \$10.40 | \$10.15 | \$10.04 |
| Value at end of period | \$8.52 | \$9.02 | \$8.34 | \$6.76 | \$11.44 | \$11.25 | \$10.40 | \$10.15 |
| ING INDEX PLUS LARGE CAP PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$8.40 | \$7.78 | \$6.66 | \$11.20 | \$11.26 | \$10.37 | \$10.39 | \$10.05 |
| Value at end of period | \$7.95 | \$8.40 | \$7.78 | \$6.66 | \$11.20 | \$11.26 | \$10.37 | \$10.39 |
| ING INTERMEDIATE BOND PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$9.08 | \$8.72 | \$8.25 | \$9.52 | \$9.48 | \$9.61 | \$9.84 | \$10.00 |
| Value at end of period | \$9.25 | \$9.08 | \$8.72 | \$8.25 | \$9.52 | \$9.48 | \$9.61 | \$9.84 |
| ING INVESCO VAN KAMPEN COMSTOCK PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$8.70 | \$7.98 | \$6.55 | \$10.89 | \$11.76 | \$10.72 | \$10.93 | \$10.04 |
| Value at end of period | \$8.07 | \$8.70 | \$7.98 | \$6.55 | \$10.89 | \$11.76 | \$10.72 | \$10.93 |
| ING INVESCO VAN KAMPEN EQUITY AND INCOME PORTFOLIO (Funds were first received in this option during April 2005) | | | | | | | | |
| Value at beginning of period | \$9.86 | \$9.26 | \$7.97 | \$10.98 | \$11.19 | \$10.38 | \$10.48 | |
| Value at end of period | \$9.24 | \$9.86 | \$9.26 | \$7.97 | \$10.98 | \$11.19 | \$10.38 | |
| ING LARGE CAP VALUE PORTFOLIO (Funds were first received in this option during August 2006) | | | | | | | | |
| Value at beginning of period | \$6.89 | \$6.09 | \$5.71 | \$8.62 | \$9.78 | \$10.00 | | |
| Value at end of period | \$6.76 | \$6.89 | \$6.09 | \$5.71 | \$9.78 | \$10.00 | | |
| ING MONEY MARKET PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$8.13 | \$8.56 | \$9.00 | \$9.26 | \$9.30 | \$9.35 | \$9.59 | \$10.00 |
| Value at end of period | \$7.70 | \$8.13 | \$8.56 | \$9.00 | \$9.26 | \$9.30 | \$9.35 | \$9.59 |
| ING PIMCO TOTAL RETURN PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$9.95 | \$9.77 | \$9.15 | \$9.68 | \$9.34 | \$9.48 | \$9.80 | \$10.00 |
| Value at end of period | \$9.74 | \$9.95 | \$9.77 | \$9.15 | \$9.68 | \$9.34 | \$9.48 | \$9.80 |
| ING PIONEER FUND PORTFOLIO (Funds were first received in this option during September 2006) | | | | | | | | |
| Value at beginning of period | \$8.32 | \$7.561 | \$6.41 | \$10.34 | \$10.36 | \$10.00 | | |
| Value at end of period | \$7.54 | \$8.32 | \$7.561 | \$6.41 | \$10.34 | \$10.36 | | |

Condensed Financial Information (continued)

| | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| ING PIONEER HIGH YIELD PORTFOLIO (Funds were first received in this option during April 2006) | | | | | | | | |
| Value at beginning of period | \$12.38 | \$10.95 | \$6.91 | \$10.34 | \$10.28 | \$10.00 | | |
| Value at end of period | \$11.65 | \$12.38 | \$10.95 | \$6.91 | \$10.34 | \$10.28 | | |
| ING RUSSELL™ LARGE CAP INDEX PORTFOLIO (Funds were first received in this option during December 2009) | | | | | | | | |
| Value at beginning of period | \$13.15 | \$12.39 | \$12.07 | | | | | |
| Value at end of period | \$12.72 | \$13.15 | \$12.39 | | | | | |
| ING STRATEGIC ALLOCATION CONSERVATIVE PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$8.74 | \$8.30 | \$7.43 | \$10.27 | \$10.25 | \$9.98 | \$10.14 | \$10.03 |
| Value at end of period | \$8.42 | \$8.74 | \$8.30 | \$7.43 | \$10.27 | \$10.25 | \$9.98 | \$10.14 |
| ING STRATEGIC ALLOCATION GROWTH PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$8.68 | \$8.10 | \$6.83 | \$11.27 | \$11.33 | \$10.56 | \$10.50 | \$10.03 |
| Value at end of period | \$7.98 | \$8.68 | \$8.10 | \$6.83 | \$11.27 | \$11.33 | \$10.56 | \$10.50 |
| ING STRATEGIC ALLOCATION MODERATE PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$8.71 | \$8.21 | \$7.11 | \$10.80 | \$10.81 | \$10.26 | \$10.34 | \$10.03 |
| Value at end of period | \$8.21 | \$8.71 | \$8.21 | \$7.11 | \$10.80 | \$10.81 | \$10.26 | \$10.34 |
| ING T. ROWE PRICE EQUITY INCOME PORTFOLIO (Funds were first received in this option during December 2009) | | | | | | | | |
| Value at beginning of period | \$13.71 | \$12.59 | \$12.37 | | | | | |
| Value at end of period | \$12.87 | \$13.71 | \$12.59 | | | | | |
| ING UBS U.S. LARGE CAP EQUITY PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$8.80 | \$8.19 | \$6.56 | \$11.50 | \$12.00 | \$11.06 | \$10.67 | \$10.06 |
| Value at end of period | \$8.13 | \$8.80 | \$8.19 | \$6.56 | \$11.50 | \$12.00 | \$11.06 | \$10.67 |
| INVESCO V.I. CORE EQUITY FUND (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$9.70 | \$9.35 | \$7.69 | \$11.62 | \$11.35 | \$10.26 | \$10.28 | \$10.03 |
| Value at end of period | \$9.19 | \$9.70 | \$9.35 | \$7.69 | \$11.62 | \$11.35 | \$10.26 | \$10.28 |

TABLE IV
FOR CONTRACTS WITH TOTAL SEPARATE ACCOUNT CHARGES OF 1.95%
ASSUMED ANNUAL NET RETURN RATE OF 5.00%
(Selected data for annuity units outstanding throughout each period, unaudited)

| | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| CALVERT VP SRI BALANCED PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$7.58 | \$7.24 | \$6.19 | \$9.65 | \$10.06 | \$9.91 | \$10.03 | \$10.03 |
| Value at end of period | \$7.40 | \$7.58 | \$7.24 | \$6.19 | \$9.65 | \$10.06 | \$9.91 | \$10.03 |
| FIDELITY® VIP EQUITY-INCOME PORTFOLIO (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$7.60 | \$7.07 | \$5.82 | \$10.86 | \$11.46 | \$10.21 | \$10.32 | \$10.03 |
| Value at end of period | \$7.17 | \$7.60 | \$7.07 | \$5.82 | \$10.86 | \$11.46 | \$10.21 | \$10.32 |

Condensed Financial Information (continued)

| | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| ING BALANCED PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$7.94 | \$7.45 | \$6.69 | \$9.97 | \$10.12 | \$9.85 | \$10.11 | \$10.03 |
| Value at end of period | \$7.32 | \$7.94 | \$7.45 | \$6.69 | \$9.97 | \$10.12 | \$9.85 | \$10.11 |
| ING CLARION REAL ESTATE PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during April 2006) | | | | | | | | |
| Value at beginning of period | \$8.01 | \$6.69 | \$5.26 | \$9.13 | \$11.86 | \$10.00 | | |
| Value at end of period | \$8.22 | \$8.01 | \$6.69 | \$5.26 | \$9.13 | \$11.86 | | |
| ING GLOBAL BOND PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2006) | | | | | | | | |
| Value at beginning of period | \$9.69 | \$8.95 | \$7.89 | \$10.00 | \$9.85 | \$9.72 | | |
| Value at end of period | \$9.38 | \$9.69 | \$8.95 | \$7.89 | \$10.00 | \$9.85 | | |
| ING GROWTH AND INCOME PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$8.16 | \$7.66 | \$6.29 | \$10.81 | \$10.78 | \$10.11 | \$10.01 | \$10.04 |
| Value at end of period | \$7.60 | \$8.16 | \$7.66 | \$6.29 | \$10.81 | \$10.78 | \$10.11 | \$10.01 |
| ING INDEX PLUS LARGE CAP PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$7.59 | \$7.14 | \$6.20 | \$10.58 | \$10.79 | \$10.08 | \$10.24 | \$10.05 |
| Value at end of period | \$7.09 | \$7.59 | \$7.14 | \$6.20 | \$10.58 | \$10.79 | \$10.08 | \$10.24 |
| ING INTERMEDIATE BOND PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$8.21 | \$8.00 | \$7.68 | \$8.99 | \$9.08 | \$9.34 | \$9.70 | \$10.00 |
| Value at end of period | \$8.25 | \$8.21 | \$8.00 | \$7.68 | \$8.99 | \$9.34 | \$9.70 | \$9.70 |
| ING INVESCO VAN KAMPEN COMSTOCK PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$7.87 | \$7.32 | \$6.10 | \$10.28 | \$11.27 | \$10.42 | \$10.78 | \$10.04 |
| Value at end of period | \$7.20 | \$7.87 | \$7.32 | \$6.10 | \$10.28 | \$11.27 | \$10.42 | \$10.78 |
| ING INVESCO VAN KAMPEN EQUITY AND INCOME PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2006) | | | | | | | | |
| Value at beginning of period | \$9.08 | \$8.65 | \$7.55 | \$10.56 | \$10.92 | \$10.38 | | |
| Value at end of period | \$8.39 | \$9.08 | \$8.65 | \$7.55 | \$10.56 | \$10.92 | | |
| ING LARGE CAP VALUE PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during August 2006) | | | | | | | | |
| Value at beginning of period | \$6.47 | \$5.80 | \$5.51 | \$8.45 | \$9.73 | \$10.00 | | |
| Value at end of period | \$6.25 | \$6.47 | \$5.80 | \$5.51 | \$8.45 | \$9.73 | | |
| ING MONEY MARKET PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$7.35 | \$7.85 | \$8.38 | \$8.74 | \$8.91 | \$9.09 | \$9.45 | \$9.99 |
| Value at end of period | \$6.87 | \$7.35 | \$7.85 | \$8.38 | \$8.74 | \$8.91 | \$9.09 | \$9.45 |
| ING PIMCO TOTAL RETURN PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$9.00 | \$8.96 | \$8.52 | \$9.14 | \$8.95 | \$9.22 | \$9.67 | \$9.99 |
| Value at end of period | \$8.68 | \$9.00 | \$8.96 | \$8.52 | \$8.91 | \$8.95 | \$9.22 | \$9.67 |
| ING PIONEER FUND PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during September 2006) | | | | | | | | |
| Value at beginning of period | \$7.78 | \$7.17 | \$6.17 | \$10.09 | \$10.26 | \$10.00 | | |
| Value at end of period | \$6.95 | \$7.78 | \$7.17 | \$6.17 | \$10.09 | \$10.26 | | |
| ING PIONEER HIGH YIELD PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during April 2006) | | | | | | | | |
| Value at beginning of period | \$11.58 | \$10.39 | \$6.65 | \$10.09 | \$10.18 | \$10.00 | | |
| Value at end of period | \$10.74 | \$11.58 | \$10.39 | \$6.65 | \$10.09 | \$10.18 | | |

Condensed Financial Information (continued)

| | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| ING RUSSELL™ LARGE CAP INDEX PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during December 2009) | | | | | | | | |
| Value at beginning of period | \$12.83 | \$12.27 | \$11.93 | | | | | |
| Value at end of period | \$12.24 | \$12.83 | \$12.27 | | | | | |
| ING STRATEGIC ALLOCATION CONSERVATIVE PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$7.90 | \$7.62 | \$6.92 | \$9.70 | \$9.82 | \$9.70 | \$10.00 | \$10.03 |
| Value at end of period | \$7.51 | \$7.90 | \$7.62 | \$6.92 | \$9.70 | \$9.82 | \$9.70 | \$10.00 |
| ING STRATEGIC ALLOCATION GROWTH PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$7.85 | \$7.43 | \$6.36 | \$10.65 | \$10.86 | \$10.27 | \$10.35 | \$10.03 |
| Value at end of period | \$7.12 | \$7.85 | \$7.4329 | \$6.36 | \$10.65 | \$10.86 | \$10.27 | \$10.35 |
| ING STRATEGIC ALLOCATION MODERATE PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$7.88 | \$7.53 | \$6.62 | \$10.20 | \$10.36 | \$9.97 | \$10.20 | \$10.03 |
| Value at end of period | \$7.32 | \$7.88 | \$7.53 | \$6.62 | \$10.20 | \$10.36 | \$9.97 | \$10.20 |
| ING T. ROWE PRICE EQUITY INCOME PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during August 2009) | | | | | | | | |
| Value at beginning of period | \$13.38 | \$12.47 | \$12.23 | | | | | |
| Value at end of period | \$12.39 | \$13.38 | \$12.47 | | | | | |
| ING UBS U.S. LARGE CAP EQUITY PORTFOLIO | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$7.96 | \$7.52 | \$6.11 | \$10.86 | \$11.50 | \$10.75 | \$10.53 | \$10.06 |
| Value at end of period | \$7.25 | \$7.96 | \$7.52 | \$6.11 | \$10.86 | \$11.50 | \$10.75 | \$10.53 |
| INVESTCO V.I. CORE EQUITY FUND | | | | | | | | |
| (Funds were first received in this option during January 2004) | | | | | | | | |
| Value at beginning of period | \$8.78 | \$8.58 | \$7.16 | \$10.98 | \$10.88 | \$9.97 | \$10.14 | \$10.03 |
| Value at end of period | \$8.19 | \$8.78 | \$8.58 | \$7.16 | \$10.98 | \$10.88 | \$9.97 | \$10.14 |

FOR MASTER APPLICATIONS ONLY

I hereby acknowledge receipt of a Variable Account C prospectus dated April 30, 2012, as well as all current prospectuses for the funds available under the Contracts.

_____ Please send an Account C Statement of Additional Information (Form No. SAI.109622-12) dated April 30, 2012.

CONTRACT HOLDER'S SIGNATURE

DATE

| |
|--|
| <p style="text-align: center;">VARIABLE ANNUITY ACCOUNT C OF ING LIFE INSURANCE AND ANNUITY COMPANY</p> |
|--|

Statement of Additional Information
dated
April 30, 2012

ING Flexible Income Annuity

A Fixed and Variable, Single Premium, Group or Individual, Immediate Annuity Contract

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 April 30, 2012.

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, Connecticut 06199-0063
1-800-238-6273

Read the prospectus before you invest. 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” and “our”) is a stock life insurance company which was organized under the insurance laws of the State of Connecticut in 1976. Prior to January 1, 2002, the Company was known as Aetna Life Insurance and Annuity Company. Through a merger, it succeeded to the business of Aetna Variable Annuity Life Insurance Company (formerly Participating Annuity Life Insurance Company organized in 1954).

The Company is an indirect wholly owned subsidiary of ING Groep N.V., 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. The Company is engaged in the business of issuing life insurance policies and annuity contracts. Our Home Office is located at One Orange Way, Windsor, Connecticut 06095-4774.

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 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 offered under the contract. 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, under all contracts, or under all plans.

A complete description of each of the funds, including their investment objectives, policies, risks and fees and expenses, is contained in each fund’s prospectus and statement of additional information.

OFFERING AND PURCHASE OF CONTRACT

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 National Association of Securities Dealers, Inc., and the Securities Investor Protection Corporation. 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 section entitled **“CONTRACT PURCHASE AND PARTICIPATION.”**

Compensation paid to the principal underwriter, ING Financial Advisers, LLC, for the years ending December 31, 2011, 2010 and 2009 amounted to \$56,593,822.08, \$43,979,093.81 and \$44,259,566.54, respectively. These amounts reflect 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 the Company.

INCOME PAYMENTS

Your variable income payments will fluctuate as the annuity unit value(s) (“AUV”) fluctuates with the investment experience of the selected subaccount(s). The first income payment and subsequent income payments also vary depending upon the assumed annual net return rate selected (3.5% or 5% per annum). Currently only 3.5% assumed annual net return rate is available. Selection of a 5% rate causes a higher first income payment, but payments will increase thereafter only to the extent that the net investment rate increases by more than 5% on an annual basis. Income payments would decline if the rate failed to increase by 5%. Use of the 3.5% assumed rate causes a lower first income payment, but subsequent income payments would increase more rapidly or decline more slowly as changes occur in the net investment rate.

A fixed number of annuity units (“Annuity Units”) are determined in each of the designated subaccounts on the contract effective date. When you select variable income payments, your account value purchases Annuity Units of the separate account subaccounts corresponding to the funds you select. The number of Annuity Units purchased is based on your account value and the value of each unit on the day the Annuity Units are purchased. The number of Annuity Units, which generally does not change thereafter, is calculated by dividing (a) by (b), where (a) is the amount of the income payment as if the payment was calculated as of the contract effective date, and (b) is the AUV for that investment option on the contract effective date. The first payment will be calculated as of the 10th valuation before the payment due date, which depends upon the payment frequency you have selected. As noted above, AUV fluctuate from one valuation to the next (see “Calculating Variable Income Payments” in the prospectus); such fluctuations reflect changes in the net investment factor for the applicable subaccount(s) (with a 10 valuation lag which gives the Company time to process payments) and a mathematical adjustment which offsets the assumed annual net return 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 each subaccount selected.

EXAMPLE:

Assume that you purchase a single premium immediate annuity contract with a \$50,000 premium. The payment option that you select has a payment factor of \$6.68 per \$1,000 of value applied. Also assume that no premium tax charge is payable.

If a payment was determined as of the contract effective date, that payment would be calculated by multiplying \$6.68 per \$1,000 by 50,000. This would produce an initial payment of \$334.00.

Assume that the value of the Annuity Unit on the contract effective date is 13.400000. The payment calculated as of the contract effective date is divided by the AUV to determine the number of Annuity Units (that is, $\$334.00/13.400000 = 24.925$ Annuity Units). The number of Annuity Units will generally remain constant over the term of your contract as determined by the income payment option you select. The value of each payment will be determined on the 10th valuation before the payment due date by multiplying the number of Annuity Units by that date's AUV.

Payments will subsequently fluctuate depending upon the net investment performance that occurs between payment valuation dates less a factor that represents the assumed annual net return rate. This offsets the assumed annual net return rate built into the number of Annuity Units determined above.

AUVs are calculated on a daily basis by multiplying the AUV by the daily net return factor and by a factor to reflect the daily assumed annual net return rate. The factor for a 3.5% assumed annual net return rate is 0.9999058 and for 5.0% is 0.9998663. The new payment is calculated by multiplying the number of Annuity Units by the new AUV.

SALES MATERIAL AND ADVERTISING

We may illustrate the hypothetical values of income payments made from each of the subaccounts over certain time periods based on the historical net asset values of the funds. We may also advertise returns based on other fee schedules that apply to a particular contract holder. These fee schedules may result in higher returns than those shown.

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

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 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 categorize funds in terms of the asset classes they represent and use such categories in marketing materials for the contracts. 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, 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 contracts and the characteristics of and market for such financial instruments.

EXPERTS

The statements of assets and liabilities of Variable Annuity Account C as of December 31, 2011, and the related statements of operations and changes in net assets for the periods disclosed in the financial statements, and the consolidated financial statements of the Company as of December 31, 2011 and 2010, and for each of the three years in the period ended December 31, 2011, included in the Statement of Additional Information, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon appearing elsewhere herein, and are included in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

The primary business address of Ernst & Young LLP is Suite 1000, 55 Ivan Allen Jr. Boulevard, Atlanta, GA 30308.

FINANCIAL STATEMENTS

Variable Annuity Account C of

ING Life Insurance and Annuity Company

Year Ended December 31, 2011

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, 2011

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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 investment divisions (the “Divisions”) constituting Variable Annuity Account C of ING Life Insurance and Annuity Company (the “Account”) as of December 31, 2011, 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:

The Alger Funds II:

- Alger Green Fund - Class A

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 Dividend Value Fund - Class A

- 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 Government Income Trust:

- American Century Inflation-Adjusted Bond Fund - Investor Class

American Century Quantitative Equity Funds, Inc.:

- American Century Income & Growth Fund - A Class

American Funds American Mutual Fund®:

- American Funds American Mutual Fund® - Class R-4

Ariel Investment Trust:

- Ariel Appreciation Fund

- Ariel Fund

Artisan Funds, Inc.:

- Artisan International Fund - Investor Shares

Aston Funds:

- Aston/Fairpointe Mid Cap Fund - Class N

BlackRock Equity Dividend Fund:

- BlackRock Equity Dividend Fund - Investor A Shares

BlackRock Mid Cap Value Opportunities Series, Inc.:

- BlackRock Mid Cap Value Opportunities Fund - Investor A Shares

The Bond Fund of AmericaSM, Inc.:

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

Calvert Variable Series, Inc.:

- Calvert VP SRI Balanced Portfolio

Capital World Growth & Income FundSM, Inc.:

- Capital World Growth & Income FundSM, Inc. - Class R-3

Cohen & Steers Realty Shares, Inc.:

- Cohen & Steers Realty Shares

Columbia Acorn Trust:

- ColumbiaSM Acorn Fund® - Class A

- ColumbiaSM Acorn Fund® - Class Z

Columbia Funds Series Trust:

- Columbia Mid Cap Value Fund - Class A

- Columbia Mid Cap Value Fund - Class Z

CRM Mutual Fund Trust:

- CRM Mid Cap Value Fund - Investor Shares

Dodge & Cox Funds:

- Dodge & Cox International Stock Fund

- Dodge & Cox Stock Fund

DWS Institutional Funds:

- DWS Equity 500 Index Fund - Class S

Eaton Vance Special Investment Trust:

- Eaton Vance Large-Cap Value Fund - Class R

EuroPacific Growth Fund®:

- EuroPacific Growth Fund® - Class R-3

- EuroPacific Growth Fund® - Class R-4

Fidelity® Contrafund®:

- Fidelity® Advisor New Insights Fund - Institutional Class

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 Global 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 InvestorsSM, Inc.:

- Fundamental InvestorsSM, Inc. - Class R-3

- Fundamental InvestorsSM, 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

Hartford Mutual Funds, Inc.:

- The Hartford Capital Appreciation Fund - Class R4

- The Hartford Dividend And Growth Fund - Class R4

The Income Fund of America®, Inc.:

The Income Fund of America® - Class R-3

ING Balanced Portfolio, Inc.:

ING Balanced Portfolio - Class I

ING Equity Trust:

ING Real Estate Fund - Class A

ING Value Choice Fund - Class A

ING Funds Trust:

ING GNMA Income Fund - Class A

ING Intermediate Bond Fund - Class A

ING Intermediate Bond Portfolio:

ING Intermediate Bond Portfolio - Class I

ING Intermediate Bond Portfolio - Class S

ING Investors Trust:

ING Artio Foreign Portfolio - Service Class

ING BlackRock Health Sciences Opportunities Portfolio -
Service Class

ING BlackRock Inflation Protected Bond Portfolio - Adviser
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 Clarion Global Real Estate Portfolio - Adviser Class

ING Clarion Global Real Estate Portfolio - Institutional Class

ING Clarion Real Estate Portfolio - Adviser Class

ING Clarion Real Estate Portfolio - Institutional Class

ING Clarion Real Estate Portfolio - Service Class

ING Core Growth and Income Portfolio - Service Class

ING FMRSM Diversified Mid Cap Portfolio - Service Class

ING FMRSM Diversified Mid Cap Portfolio - Service 2 Class

ING Global Resources Portfolio - Adviser Class

ING Global Resources Portfolio - Institutional Class

ING Global Resources Portfolio - Service Class

ING Invesco Van Kampen Growth and Income 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 - Adviser Class

ING JPMorgan Small Cap Core Equity Portfolio - Service Class

ING Large Cap Growth Portfolio - Adviser Class

ING Large Cap Growth Portfolio - Institutional Class

ING Large Cap Growth Portfolio - Service Class

ING Large Cap Value Portfolio - Institutional Class

ING Large Cap Value Portfolio - Service Class

ING Lord Abbett Growth and Income Portfolio - Institutional
Class

ING Lord Abbett Growth and Income Portfolio - Service Class

ING Marsico Growth Portfolio - Institutional Class

ING Marsico Growth 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 Morgan Stanley Global Franchise Portfolio - Adviser Class

ING PIMCO High Yield Portfolio - Adviser Class

ING Investors Trust (continued):

ING PIMCO High Yield Portfolio - Institutional Class

ING PIMCO High Yield Portfolio - Service Class

ING Pioneer Fund Portfolio - Institutional Class

ING Pioneer Fund Portfolio - Service Class

ING Pioneer Mid Cap Value Portfolio - Institutional Class

ING Pioneer Mid Cap Value Portfolio - Service Class

ING T. Rowe Price Capital Appreciation Portfolio - Adviser
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 T. Rowe Price International Stock Portfolio - Adviser Class

ING T. Rowe Price International Stock Portfolio - Service Class

ING Templeton Global Growth Portfolio - Institutional Class

ING Templeton Global Growth Portfolio - Service Class

ING U.S. Stock Index Portfolio - Institutional Class

ING Money Market Portfolio:

ING Money Market Portfolio - Class I

ING Mutual Funds:

ING Global Real Estate Fund - Class A

ING International Capital Appreciation Fund - Class I

ING International SmallCap Multi-Manager Fund - Class A

ING Partners, Inc.:

ING American Century Small-Mid Cap Value Portfolio - Adviser
Class

ING American Century Small-Mid Cap Value Portfolio - Initial
Class

ING American Century Small-Mid Cap Value 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 - Adviser 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 Global Bond Portfolio - Adviser Class

ING Global Bond Portfolio - Initial Class

ING Global Bond Portfolio - Service Class

ING Index Solution 2015 Portfolio - Initial Class

ING Index Solution 2015 Portfolio - Service Class

ING Index Solution 2015 Portfolio - Service 2 Class

ING Index Solution 2025 Portfolio - Initial Class

ING Index Solution 2025 Portfolio - Service Class

ING Index Solution 2025 Portfolio - Service 2 Class

ING Index Solution 2035 Portfolio - Initial Class

ING Index Solution 2035 Portfolio - Service Class

ING Index Solution 2035 Portfolio - Service 2 Class

ING Index Solution 2045 Portfolio - Initial Class

ING Index Solution 2045 Portfolio - Service Class

ING Index Solution 2045 Portfolio - Service 2 Class

ING Index Solution 2055 Portfolio - Initial Class

ING Index Solution 2055 Portfolio - Service Class

ING Index Solution 2055 Portfolio - Service 2 Class

ING Index Solution Income Portfolio - Service Class

ING Index Solution Income Portfolio - Service 2 Class

ING Invesco Van Kampen Comstock Portfolio - Adviser Class

ING Invesco Van Kampen Comstock Portfolio - Service Class

ING Partners, Inc. (continued):

ING Invesco Van Kampen Equity and Income Portfolio - Adviser Class
ING Invesco Van Kampen Equity and Income Portfolio - Initial Class
ING Invesco Van Kampen Equity and Income Portfolio - Service Class
ING JPMorgan Mid Cap Value Portfolio - Adviser Class
ING JPMorgan Mid Cap Value Portfolio - Service Class
ING Legg Mason ClearBridge Aggressive Growth Portfolio - Adviser Class
ING Legg Mason ClearBridge Aggressive Growth Portfolio - Initial Class
ING Legg Mason ClearBridge Aggressive Growth Portfolio - Service Class
ING Oppenheimer Global Portfolio - Adviser Class
ING Oppenheimer Global Portfolio - Initial Class
ING Oppenheimer Global Portfolio - Service Class
ING PIMCO Total Return Portfolio - Adviser Class
ING PIMCO Total Return Portfolio - Initial 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 2015 Portfolio - Service 2 Class
ING Solution 2025 Portfolio - Adviser Class
ING Solution 2025 Portfolio - Service Class
ING Solution 2025 Portfolio - Service 2 Class
ING Solution 2035 Portfolio - Adviser Class
ING Solution 2035 Portfolio - Service Class
ING Solution 2035 Portfolio - Service 2 Class
ING Solution 2045 Portfolio - Adviser Class
ING Solution 2045 Portfolio - Service Class
ING Solution 2045 Portfolio - Service 2 Class
ING Solution 2055 Portfolio - Service Class
ING Solution 2055 Portfolio - Service 2 Class
ING Solution Growth Portfolio - Service Class
ING Solution Income Portfolio - Adviser Class
ING Solution Income Portfolio - Service Class
ING Solution Income Portfolio - Service 2 Class
ING Solution Moderate 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 Series Fund, Inc.:

ING Core Equity Research Fund - Class A

ING Strategic Allocation Portfolios, Inc.:

ING Strategic Allocation Conservative Portfolio - Class I

ING Strategic Allocation Growth Portfolio - Class I

ING Strategic Allocation Moderate Portfolio - Class I

ING Variable Funds:

ING Growth and Income Portfolio - Class A

ING Growth and Income Portfolio - Class I

ING Growth and Income Portfolio - Class S

ING Variable Insurance Trust:

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 Science and Technology Opportunities Portfolio - Adviser Class

ING BlackRock Science and Technology Opportunities Portfolio - Class I

ING Index Plus LargeCap Portfolio - Class I

ING Index Plus LargeCap Portfolio - Class S

ING Index Plus MidCap Portfolio - Class I

ING Index Plus MidCap Portfolio - Class S

ING Index Plus SmallCap Portfolio - Class I

ING Index Plus SmallCap Portfolio - Class S

ING International Index Portfolio - Class I

ING International Index Portfolio - Class S

ING Russell™ Large Cap Growth Index Portfolio - Class I

ING Russell™ Large Cap Growth Index Portfolio - Class S

ING Russell™ Large Cap Index Portfolio - Class I

ING Russell™ Large Cap Index Portfolio - Class S

ING Russell™ Large Cap Value Index Portfolio - Class I

ING Russell™ Large Cap Value Index Portfolio - Class S

ING Russell™ Mid Cap Growth Index Portfolio - Class S

ING Russell™ Mid Cap Index Portfolio - Class I

ING Russell™ Mid Cap Index Portfolio - Class S

ING Russell™ Small Cap Index Portfolio - Class I

ING Small Company Portfolio - Class I

ING Small Company Portfolio - Class S

ING U.S. Bond Index Portfolio - Class I

ING Variable Products Trust:

ING International Value Portfolio - Class I

ING International Value Portfolio - Class S

ING MidCap Opportunities Portfolio - Class I

ING MidCap Opportunities Portfolio - Class S

ING SmallCap Opportunities Portfolio - Class I

ING SmallCap Opportunities Portfolio - Class S

Invesco Growth Series:

Invesco Mid Cap Core Equity Fund - Class A

Invesco Small Cap Growth Fund - Class A

Invesco Investment Funds:

Invesco Endeavor Fund - Class A

Invesco Global Health Care Fund - Investor Class

Invesco Sector Funds:

- Invesco U.S. Small Cap Value Fund - Class Y
- Invesco Van Kampen Small Cap Value Fund - Class A
- Invesco Van Kampen Small Cap Value Fund - Class Y

Invesco Variable Insurance Funds:

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

Janus Aspen Series:

- Janus Aspen Series Balanced Portfolio - Institutional Shares
- Janus Aspen Series Enterprise Portfolio - Institutional Shares
- Janus Aspen Series Flexible Bond Portfolio - Institutional Shares
- Janus Aspen Series Janus Portfolio - Institutional Shares
- Janus Aspen Series Worldwide Portfolio - Institutional Shares

The Lazard Funds, Inc.:

- Lazard Emerging Markets Equity Portfolio - Open Shares
- 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 Developing Growth Fund, Inc.:

- Lord Abbett Developing Growth Fund, Inc. - Class A

Lord Abbett Investment Trust:

- Lord Abbett Core Fixed Income Fund - Class A

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 Securities Trust:

- Lord Abbett Fundamental Equity 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

Neuberger Berman Equity Funds®:

- Neuberger Berman Genesis Fund® - Trust Class
- 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 Gold & Special Minerals Fund:

- Oppenheimer Gold & Special Minerals Fund - Class A

Oppenheimer International Bond Fund:

- Oppenheimer International Bond Fund - Class A

Oppenheimer Variable Account Funds:

- Oppenheimer Global Securities/VA
- Oppenheimer Global Strategic Income Fund/VA
- Oppenheimer Main Street Fund®/VA
- Oppenheimer Main Street Small- & Mid-Cap Fund®/VA
- Oppenheimer Small- & Mid-Cap Growth Fund/VA

Parnassus Income Funds:

- Parnassus Equity Income Fund - Investor Shares

Pax World Funds Series Trust I:

- Pax World Balanced Fund - Individual Investor Class

PIMCO Variable Insurance Trust:

- PIMCO Real Return Portfolio - Administrative Class

Pioneer High Yield Fund:

- Pioneer High Yield Fund - Class A

Pioneer Strategic Income Fund:

- Pioneer Strategic Income Fund - Class A

Pioneer Variable Contracts Trust:

- Pioneer Emerging Markets VCT Portfolio - Class I
- Pioneer High Yield VCT Portfolio - Class I
- Pioneer Mid Cap Value VCT Portfolio - Class I

RiverSource® Investment Series, Inc.:

- Columbia Diversified Equity Income Fund - Class R-3
- Columbia Diversified Equity Income Fund - Class R-4

The Royce Fund:

- Royce Total Return Fund - Class K

SmallCap World Fund, Inc.:

- SMALLCAP World Fund® - Class R-4

T. Rowe Price Mid-Cap Value Fund, Inc.:

- T. Rowe Price Mid-Cap Value Fund - R Class

T. Rowe Price Value Fund, Inc.:

- T. Rowe Price Value Fund - Advisor Class

Templeton Funds, Inc.:

- Templeton Foreign Fund - Class A

Templeton Income Trust:

- Templeton Global Bond Fund - Class A

Thornburg Investment Trust:

- Thornburg International Value Fund - Class R4

USAA Investment Trust:

- USAA Precious Metals and Minerals Fund - Adviser Shares

Vanguard® Variable Insurance Fund:

- Diversified Value Portfolio
- Equity Income Portfolio
- Small Company Growth Portfolio

The Victory Portfolios:

- Victory Small Company Opportunity Fund - Class R

Wanger Advisors Trust:

- Wanger International
- Wanger Select
- Wanger USA

Washington Mutual Investors FundSM, Inc.:

- Washington Mutual Investors FundSM, Inc. - Class R-3
- Washington Mutual Investors FundSM, Inc. - Class R-4

Wells Fargo Funds Trust:

- Wells Fargo Advantage Small Cap Value Fund - Class A
- Wells Fargo Advantage Special Small Cap Values Fund - Class A

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, 2011, by correspondence with the transfer agents or fund company. 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, 2011, 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
April 3, 2012

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Statements of Assets and Liabilities
December 31, 2011
(Dollars in thousands)

| | <u>Alger Green Fund - Class A</u> | <u>AllianceBernstein Growth and Income Fund, Inc. - Class A</u> | <u>AllianceBernstein Growth and Income Portfolio - Class A</u> | <u>Allianz NFJ Dividend Value Fund - Class A</u> |
|--|---------------------------------------|---|--|--|
| Assets | | | | |
| Investments in mutual funds | | | | |
| at fair value | \$ 1,622 | \$ 172 | \$ 473 | \$ 179 |
| Total assets | <u>1,622</u> | <u>172</u> | <u>473</u> | <u>179</u> |
| Liabilities | | | | |
| Due to related parties | - | - | - | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net assets | <u>\$ 1,622</u> | <u>\$ 172</u> | <u>\$ 473</u> | <u>\$ 179</u> |
| Net assets | | | | |
| Accumulation units | \$ 1,622 | \$ 172 | \$ 473 | \$ 179 |
| Contracts in payout (annuitization) | - | - | - | - |
| Total net assets | <u>\$ 1,622</u> | <u>\$ 172</u> | <u>\$ 473</u> | <u>\$ 179</u> |
| Total number of mutual fund shares | <u>271,166</u> | <u>49,953</u> | <u>26,232</u> | <u>15,735</u> |
| Cost of mutual fund shares | <u>\$ 1,602</u> | <u>\$ 145</u> | <u>\$ 415</u> | <u>\$ 163</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, 2011
(Dollars in thousands)

| | Allianz NFJ Large-Cap Value Fund - Institutional Class | Allianz NFJ Small-Cap Value Fund - Class A | Amana Growth Fund | Amana Income Fund | American Balanced Fund® - Class R-3 |
|--|---|---|------------------------------|------------------------------|--|
| Assets | | | | | |
| Investments in mutual funds at fair value | \$ 3,063 | \$ 395 | \$ 27,823 | \$ 40,418 | \$ 5,726 |
| Total assets | 3,063 | 395 | 27,823 | 40,418 | 5,726 |
| Liabilities | | | | | |
| Due to related parties | - | - | 1 | 1 | - |
| Total liabilities | - | - | 1 | 1 | - |
| Net assets | <u>\$ 3,063</u> | <u>\$ 395</u> | <u>\$ 27,822</u> | <u>\$ 40,417</u> | <u>\$ 5,726</u> |
| Net assets | | | | | |
| Accumulation units | \$ 3,063 | \$ 395 | \$ 27,822 | \$ 40,417 | \$ 5,726 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | <u>\$ 3,063</u> | <u>\$ 395</u> | <u>\$ 27,822</u> | <u>\$ 40,417</u> | <u>\$ 5,726</u> |
| Total number of mutual fund shares | <u>222,269</u> | <u>14,193</u> | <u>1,147,815</u> | <u>1,273,000</u> | <u>315,651</u> |
| Cost of mutual fund shares | <u>\$ 3,018</u> | <u>\$ 355</u> | <u>\$ 26,610</u> | <u>\$ 37,770</u> | <u>\$ 5,207</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, 2011
(Dollars in thousands)

| | American Century Inflation- Adjusted Bond Fund - Investor Class | American Century Income & Growth Fund - A Class | American Funds American Mutual Fund® - Class R-4 | Ariel Appreciation Fund | Ariel Fund |
|--|--|--|---|--|-------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 43,589 | \$ 5,331 | \$ 6 | \$ 679 | \$ 3,064 |
| Total assets | 43,589 | 5,331 | 6 | 679 | 3,064 |
| Liabilities | | | | | |
| Due to related parties | 1 | - | - | - | - |
| Total liabilities | 1 | - | - | - | - |
| Net assets | <u>\$ 43,588</u> | <u>\$ 5,331</u> | <u>\$ 6</u> | <u>\$ 679</u> | <u>\$ 3,064</u> |
| Net assets | | | | | |
| Accumulation units | \$ 43,588 | \$ 5,331 | \$ 6 | \$ 679 | \$ 3,064 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | <u>\$ 43,588</u> | <u>\$ 5,331</u> | <u>\$ 6</u> | <u>\$ 679</u> | <u>\$ 3,064</u> |
| Total number of mutual fund shares | <u>3,421,466</u> | <u>219,303</u> | <u>234</u> | <u>17,547</u> | <u>71,310</u> |
| Cost of mutual fund shares | <u>\$ 42,498</u> | <u>\$ 5,708</u> | <u>\$ 6</u> | <u>\$ 582</u> | <u>\$ 3,433</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, 2011
(Dollars in thousands)

| | Artisan International Fund - Investor Shares | Aston/Fairpointe Mid Cap Fund - Class N | BlackRock Equity Dividend Fund - Investor A Shares | BlackRock Mid Cap Value Opportunities Fund - Investor A Shares | The Bond Fund of AmericaSM, Inc. - Class R-4 |
|--|---|--|---|---|--|
| Assets | | | | | |
| Investments in mutual funds at fair value | \$ 2,674 | \$ 5,556 | \$ 487 | \$ 7,480 | \$ 9,219 |
| Total assets | 2,674 | 5,556 | 487 | 7,480 | 9,219 |
| Liabilities | | | | | |
| Due to related parties | - | - | - | - | - |
| Total liabilities | - | - | - | - | - |
| Net assets | <u>\$ 2,674</u> | <u>\$ 5,556</u> | <u>\$ 487</u> | <u>\$ 7,480</u> | <u>\$ 9,219</u> |
| Net assets | | | | | |
| Accumulation units | \$ 2,674 | \$ 5,556 | \$ 487 | \$ 7,480 | \$ 9,219 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | <u>\$ 2,674</u> | <u>\$ 5,556</u> | <u>\$ 487</u> | <u>\$ 7,480</u> | <u>\$ 9,219</u> |
| Total number of mutual fund shares | <u>134,825</u> | <u>187,782</u> | <u>26,852</u> | <u>453,881</u> | <u>734,559</u> |
| Cost of mutual fund shares | <u>\$ 2,756</u> | <u>\$ 5,848</u> | <u>\$ 462</u> | <u>\$ 7,268</u> | <u>\$ 8,947</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, 2011
(Dollars in thousands)

| | Calvert VP SRI Balanced Portfolio | Capital World Growth & Income FundSM, Inc. - Class R-3 | Cohen & Steers Realty Shares | ColumbiaSM Acorn Fund® - Class A | ColumbiaSM Acorn Fund® - Class Z |
|--|--|--|---|--|--|
| Assets | | | | | |
| Investments in mutual funds at fair value | \$ 44,042 | \$ 415 | \$ 677 | \$ 69 | \$ 10,848 |
| Total assets | 44,042 | 415 | 677 | 69 | 10,848 |
| Liabilities | | | | | |
| Due to related parties | 1 | - | - | - | - |
| Total liabilities | 1 | - | - | - | - |
| Net assets | <u>\$ 44,041</u> | <u>\$ 415</u> | <u>\$ 677</u> | <u>\$ 69</u> | <u>\$ 10,848</u> |
| Net assets | | | | | |
| Accumulation units | \$ 43,833 | \$ 415 | \$ 677 | \$ 69 | \$ 10,848 |
| Contracts in payout (annuitization) | 208 | - | - | - | - |
| Total net assets | <u>\$ 44,041</u> | <u>\$ 415</u> | <u>\$ 677</u> | <u>\$ 69</u> | <u>\$ 10,848</u> |
| Total number of mutual fund shares | <u>25,181,092</u> | <u>12,996</u> | <u>11,136</u> | <u>2,602</u> | <u>393,622</u> |
| Cost of mutual fund shares | <u>\$ 45,216</u> | <u>\$ 434</u> | <u>\$ 648</u> | <u>\$ 75</u> | <u>\$ 11,325</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 Assets and Liabilities
December 31, 2011
(Dollars in thousands)

| | Columbia Mid Cap Value Fund - Class A | Columbia Mid Cap Value Fund - Class Z | CRM Mid Cap Value Fund - Investor Shares | Dodge & Cox International Stock Fund | Dodge & Cox Stock Fund |
|-------------------------------------|--|--|---|---|---------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 3,805 | \$ 5,363 | \$ 216 | \$ 136 | \$ 24 |
| Total assets | 3,805 | 5,363 | 216 | 136 | 24 |
| Liabilities | | | | | |
| Due to related parties | - | - | - | - | - |
| Total liabilities | - | - | - | - | - |
| Net assets | \$ 3,805 | \$ 5,363 | \$ 216 | \$ 136 | \$ 24 |
| Net assets | | | | | |
| Accumulation units | \$ 3,805 | \$ 5,363 | \$ 216 | \$ 136 | \$ 24 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | \$ 3,805 | \$ 5,363 | \$ 216 | \$ 136 | \$ 24 |
| Total number of mutual fund shares | 297,271 | 418,684 | 8,293 | 4,662 | 237 |
| Cost of mutual fund shares | \$ 3,186 | \$ 5,466 | \$ 210 | \$ 144 | \$ 26 |

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, 2011
(Dollars in thousands)

| | DWS Equity 500 Index Fund - Class S | Eaton Vance Large-Cap Value Fund - Class R | EuroPacific Growth Fund® - Class R-3 | EuroPacific Growth Fund® - Class R-4 | Fidelity® Advisor New Insights Fund - Institutional Class |
|--|--|---|---|---|--|
| Assets | | | | | |
| Investments in mutual funds at fair value | \$ 400 | \$ 46 | \$ 9,736 | \$ 235,348 | \$ 259 |
| Total assets | 400 | 46 | 9,736 | 235,348 | 259 |
| Liabilities | | | | | |
| Due to related parties | - | - | - | 6 | - |
| Total liabilities | - | - | - | 6 | - |
| Net assets | <u>\$ 400</u> | <u>\$ 46</u> | <u>\$ 9,736</u> | <u>\$ 235,342</u> | <u>\$ 259</u> |
| Net assets | | | | | |
| Accumulation units | \$ 400 | \$ 46 | \$ 9,736 | \$ 235,342 | \$ 259 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | <u>\$ 400</u> | <u>\$ 46</u> | <u>\$ 9,736</u> | <u>\$ 235,342</u> | <u>\$ 259</u> |
| Total number of mutual fund shares | <u>2,834</u> | <u>2,661</u> | <u>282,028</u> | <u>6,811,798</u> | <u>12,961</u> |
| Cost of mutual fund shares | <u>\$ 384</u> | <u>\$ 45</u> | <u>\$ 10,770</u> | <u>\$ 280,684</u> | <u>\$ 265</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, 2011
(Dollars in thousands)

| | 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® VIP Contrafund® Portfolio - Initial Class |
|--|--|---|--|---|--|
| Assets | | | | | |
| Investments in mutual funds at fair value | \$ 256,286 | \$ 214,518 | \$ 9,729 | \$ 27,986 | \$ 988,355 |
| Total assets | 256,286 | 214,518 | 9,729 | 27,986 | 988,355 |
| Liabilities | | | | | |
| Due to related parties | 7 | 6 | - | 1 | 24 |
| Total liabilities | 7 | 6 | - | 1 | 24 |
| Net assets | <u>\$ 256,279</u> | <u>\$ 214,512</u> | <u>\$ 9,729</u> | <u>\$ 27,985</u> | <u>\$ 988,331</u> |
| Net assets | | | | | |
| Accumulation units | \$ 252,758 | \$ 213,488 | \$ 9,667 | \$ 27,985 | \$ 980,308 |
| Contracts in payout (annuitization) | 3,521 | 1,024 | 62 | - | 8,023 |
| Total net assets | <u>\$ 256,279</u> | <u>\$ 214,512</u> | <u>\$ 9,729</u> | <u>\$ 27,985</u> | <u>\$ 988,331</u> |
| Total number of mutual fund shares | <u>13,712,476</u> | <u>5,815,076</u> | <u>1,804,949</u> | <u>2,053,234</u> | <u>42,934,629</u> |
| Cost of mutual fund shares | <u>\$ 309,416</u> | <u>\$ 182,226</u> | <u>\$ 9,785</u> | <u>\$ 39,476</u> | <u>\$ 1,126,802</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, 2011
(Dollars in thousands)

| | Fidelity® VIP Index 500 Portfolio - Initial Class | Fidelity® VIP Mid Cap Portfolio - Initial Class | Fidelity® VIP Asset ManagerSM Portfolio - Initial Class | Mutual Global Discovery Fund - Class R | Franklin Small- Mid Cap Growth Fund - Class A |
|--|--|--|---|---|--|
| Assets | | | | | |
| Investments in mutual funds at fair value | \$ 103,345 | \$ 18,110 | \$ 20,845 | \$ 2,800 | \$ 673 |
| Total assets | 103,345 | 18,110 | 20,845 | 2,800 | 673 |
| Liabilities | | | | | |
| Due to related parties | 3 | - | 1 | - | - |
| Total liabilities | 3 | - | 1 | - | - |
| Net assets | <u>\$ 103,342</u> | <u>\$ 18,110</u> | <u>\$ 20,844</u> | <u>\$ 2,800</u> | <u>\$ 673</u> |
| Net assets | | | | | |
| Accumulation units | \$ 103,342 | \$ 18,110 | \$ 20,844 | \$ 2,800 | \$ 673 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | <u>\$ 103,342</u> | <u>\$ 18,110</u> | <u>\$ 20,844</u> | <u>\$ 2,800</u> | <u>\$ 673</u> |
| | | | | | |
| Total number of mutual fund shares | <u>799,079</u> | <u>622,755</u> | <u>1,510,494</u> | <u>104,122</u> | <u>19,922</u> |
| | | | | | |
| Cost of mutual fund shares | <u>\$ 98,002</u> | <u>\$ 17,178</u> | <u>\$ 21,543</u> | <u>\$ 2,613</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, 2011
(Dollars in thousands)

| | Franklin Small Cap Value Securities Fund - Class 2 | Fundamental InvestorsSM, Inc. - Class R-3 | Fundamental InvestorsSM, Inc. - Class R-4 | The Growth Fund of America® - Class R-3 | The Growth Fund of America® - Class R-4 |
|-------------------------------------|---|---|---|--|--|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 109,151 | \$ 1,093 | \$ 32,352 | \$ 14,365 | \$ 271,707 |
| Total assets | 109,151 | 1,093 | 32,352 | 14,365 | 271,707 |
| Liabilities | | | | | |
| Due to related parties | 3 | - | 1 | - | 7 |
| Total liabilities | 3 | - | 1 | - | 7 |
| Net assets | <u>\$ 109,148</u> | <u>\$ 1,093</u> | <u>\$ 32,351</u> | <u>\$ 14,365</u> | <u>\$ 271,700</u> |
| Net assets | | | | | |
| Accumulation units | \$ 107,625 | \$ 1,093 | \$ 32,351 | \$ 14,365 | \$ 271,700 |
| Contracts in payout (annuitization) | 1,523 | - | - | - | - |
| Total net assets | <u>\$ 109,148</u> | <u>\$ 1,093</u> | <u>\$ 32,351</u> | <u>\$ 14,365</u> | <u>\$ 271,700</u> |
| | | | | | |
| Total number of mutual fund shares | <u>7,028,424</u> | <u>30,938</u> | <u>915,722</u> | <u>507,072</u> | <u>9,526,883</u> |
| | | | | | |
| Cost of mutual fund shares | <u>\$ 106,438</u> | <u>\$ 1,051</u> | <u>\$ 27,433</u> | <u>\$ 13,840</u> | <u>\$ 278,222</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, 2011
(Dollars in thousands)

| | The Hartford Capital Appreciation Fund - Class R4 | The Hartford Dividend And Growth Fund - Class R4 | The Income Fund of America® - Class R-3 | ING Balanced Portfolio - Class I | ING Real Estate Fund - Class A |
|--|--|---|--|---|---|
| Assets | | | | | |
| Investments in mutual funds at fair value | \$ 173 | \$ 28 | \$ 2,121 | \$ 299,270 | \$ 2,098 |
| Total assets | 173 | 28 | 2,121 | 299,270 | 2,098 |
| Liabilities | | | | | |
| Due to related parties | - | - | - | 9 | - |
| Total liabilities | - | - | - | 9 | - |
| Net assets | <u>\$ 173</u> | <u>\$ 28</u> | <u>\$ 2,121</u> | <u>\$ 299,261</u> | <u>\$ 2,098</u> |
| Net assets | | | | | |
| Accumulation units | \$ 173 | \$ 28 | \$ 2,121 | \$ 282,894 | \$ 2,098 |
| Contracts in payout (annuitization) | - | - | - | 16,367 | - |
| Total net assets | <u>\$ 173</u> | <u>\$ 28</u> | <u>\$ 2,121</u> | <u>\$ 299,261</u> | <u>\$ 2,098</u> |
| | | | | | |
| Total number of mutual fund shares | <u>5,605</u> | <u>1,456</u> | <u>126,929</u> | <u>26,888,583</u> | <u>146,206</u> |
| | | | | | |
| Cost of mutual fund shares | <u>\$ 203</u> | <u>\$ 26</u> | <u>\$ 1,948</u> | <u>\$ 321,343</u> | <u>\$ 1,592</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, 2011
(Dollars in thousands)

| | ING Value Choice Fund - Class A | ING GNMA Income Fund - Class A | ING Intermediate Bond Fund - Class A | ING Intermediate Bond Portfolio - Class I | ING Intermediate Bond Portfolio - Class S |
|--|--|---|---|--|--|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 3 | \$ 4,837 | \$ 3,356 | \$ 386,943 | \$ 922 |
| Total assets | 3 | 4,837 | 3,356 | 386,943 | 922 |
| Liabilities | | | | | |
| Due to related parties | - | - | - | 10 | - |
| Total liabilities | - | - | - | 10 | - |
| Net assets | <u>\$ 3</u> | <u>\$ 4,837</u> | <u>\$ 3,356</u> | <u>\$ 386,933</u> | <u>\$ 922</u> |
| Net assets | | | | | |
| Accumulation units | \$ 3 | \$ 4,837 | \$ 3,356 | \$ 373,673 | \$ 922 |
| Contracts in payout (annuitization) | - | - | - | 13,260 | - |
| Total net assets | <u>\$ 3</u> | <u>\$ 4,837</u> | <u>\$ 3,356</u> | <u>\$ 386,933</u> | <u>\$ 922</u> |
| Total number of mutual fund shares | <u>173</u> | <u>529,217</u> | <u>344,514</u> | <u>31,205,056</u> | <u>74,708</u> |
| Cost of mutual fund shares | <u>\$ 3</u> | <u>\$ 4,692</u> | <u>\$ 3,165</u> | <u>\$ 395,186</u> | <u>\$ 908</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, 2011
(Dollars in thousands)

| | ING Artio Foreign Portfolio - Service Class | ING BlackRock Health Sciences Opportunities Portfolio - Service Class | ING BlackRock Inflation Protected Bond Portfolio - Adviser Class | ING BlackRock Large Cap Growth Portfolio - Institutional Class | ING BlackRock Large Cap Growth Portfolio - Service Class |
|--|--|--|---|---|---|
| Assets | | | | | |
| Investments in mutual funds at fair value | \$ 21,282 | \$ 11,294 | \$ 74 | \$ 82,027 | \$ 551 |
| Total assets | 21,282 | 11,294 | 74 | 82,027 | 551 |
| Liabilities | | | | | |
| Due to related parties | 1 | - | - | 2 | - |
| Total liabilities | 1 | - | - | 2 | - |
| Net assets | <u>\$ 21,281</u> | <u>\$ 11,294</u> | <u>\$ 74</u> | <u>\$ 82,025</u> | <u>\$ 551</u> |
| Net assets | | | | | |
| Accumulation units | \$ 21,281 | \$ 11,294 | \$ 74 | \$ 81,736 | \$ 551 |
| Contracts in payout (annuitization) | - | - | - | 289 | - |
| Total net assets | <u>\$ 21,281</u> | <u>\$ 11,294</u> | <u>\$ 74</u> | <u>\$ 82,025</u> | <u>\$ 551</u> |
| Total number of mutual fund shares | <u>2,399,337</u> | <u>983,790</u> | <u>6,863</u> | <u>8,526,717</u> | <u>57,552</u> |
| Cost of mutual fund shares | <u>\$ 33,463</u> | <u>\$ 10,147</u> | <u>\$ 74</u> | <u>\$ 96,039</u> | <u>\$ 607</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, 2011
(Dollars in thousands)

| | ING BlackRock Large Cap Growth Portfolio - Service 2 Class | ING Clarion Global Real Estate Portfolio - Adviser Class | ING Clarion Global Real Estate Portfolio - Institutional Class | ING Clarion Real Estate Portfolio - Adviser Class | ING Clarion Real Estate Portfolio - Institutional Class |
|-------------------------------------|---|---|---|--|--|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 261 | \$ 2 | \$ 55,562 | \$ 18 | \$ 2,157 |
| Total assets | 261 | 2 | 55,562 | 18 | 2,157 |
| Liabilities | | | | | |
| Due to related parties | - | - | 1 | - | - |
| Total liabilities | - | - | 1 | - | - |
| Net assets | <u>\$ 261</u> | <u>\$ 2</u> | <u>\$ 55,561</u> | <u>\$ 18</u> | <u>\$ 2,157</u> |
| Net assets | | | | | |
| Accumulation units | \$ 261 | \$ 2 | \$ 55,561 | \$ 18 | \$ - |
| Contracts in payout (annuitization) | - | - | - | - | 2,157 |
| Total net assets | <u>\$ 261</u> | <u>\$ 2</u> | <u>\$ 55,561</u> | <u>\$ 18</u> | <u>\$ 2,157</u> |
| | | | | | |
| Total number of mutual fund shares | <u>27,669</u> | <u>253</u> | <u>6,221,903</u> | <u>768</u> | <u>90,738</u> |
| | | | | | |
| Cost of mutual fund shares | <u>\$ 233</u> | <u>\$ 2</u> | <u>\$ 57,957</u> | <u>\$ 17</u> | <u>\$ 2,034</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, 2011
(Dollars in thousands)

| | ING Clarion Real Estate Portfolio - Service Class | ING FMRSM Diversified Mid Cap Portfolio - Service Class | ING FMRSM Diversified Mid Cap Portfolio - Service 2 Class | ING Global Resources Portfolio - Adviser Class | ING Global Resources Portfolio - Institutional Class |
|-------------------------------------|--|---|---|---|---|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 48,010 | \$ 64,099 | \$ 12 | \$ 2 | \$ 30 |
| Total assets | 48,010 | 64,099 | 12 | 2 | 30 |
| Liabilities | | | | | |
| Due to related parties | 1 | 1 | - | - | - |
| Total liabilities | 1 | 1 | - | - | - |
| Net assets | <u>\$ 48,009</u> | <u>\$ 64,098</u> | <u>\$ 12</u> | <u>\$ 2</u> | <u>\$ 30</u> |
| Net assets | | | | | |
| Accumulation units | \$ 48,009 | \$ 64,098 | \$ 12 | \$ 2 | \$ 30 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | <u>\$ 48,009</u> | <u>\$ 64,098</u> | <u>\$ 12</u> | <u>\$ 2</u> | <u>\$ 30</u> |
| | | | | | |
| Total number of mutual fund shares | <u>2,024,873</u> | <u>4,748,056</u> | <u>887</u> | <u>114</u> | <u>1,550</u> |
| | | | | | |
| Cost of mutual fund shares | <u>\$ 38,001</u> | <u>\$ 58,097</u> | <u>\$ 14</u> | <u>\$ 2</u> | <u>\$ 36</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, 2011
(Dollars in thousands)

| | ING Global Resources Portfolio - Service Class | ING Invesco Van Kampen Growth and Income 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 | \$ 122,294 | \$ 19,901 | \$ 286 | \$ 28,903 | \$ 23,895 |
| Total assets | 122,294 | 19,901 | 286 | 28,903 | 23,895 |
| Liabilities | | | | | |
| Due to related parties | 3 | - | - | 1 | 1 |
| Total liabilities | 3 | - | - | 1 | 1 |
| Net assets | <u>\$ 122,291</u> | <u>\$ 19,901</u> | <u>\$ 286</u> | <u>\$ 28,902</u> | <u>\$ 23,894</u> |
| Net assets | | | | | |
| Accumulation units | \$ 122,291 | \$ 19,901 | \$ 286 | \$ 28,902 | \$ 23,894 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | <u>\$ 122,291</u> | <u>\$ 19,901</u> | <u>\$ 286</u> | <u>\$ 28,902</u> | <u>\$ 23,894</u> |
| Total number of mutual fund shares | <u>6,294,064</u> | <u>948,562</u> | <u>16,364</u> | <u>1,604,819</u> | <u>1,331,218</u> |
| Cost of mutual fund shares | <u>\$ 133,293</u> | <u>\$ 18,507</u> | <u>\$ 337</u> | <u>\$ 31,045</u> | <u>\$ 25,078</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, 2011
(Dollars in thousands)

| | ING JPMorgan Small Cap Core Equity Portfolio - Adviser Class | ING JPMorgan Small Cap Core Equity Portfolio - Service Class | ING Large Cap Growth Portfolio - Adviser Class | ING Large Cap Growth Portfolio - Institutional Class | ING Large Cap Growth Portfolio - Service Class |
|-------------------------------------|---|---|---|---|---|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 9 | \$ 8,714 | \$ 113 | \$ 133,025 | \$ 266 |
| Total assets | 9 | 8,714 | 113 | 133,025 | 266 |
| Liabilities | | | | | |
| Due to related parties | - | - | - | 3 | - |
| Total liabilities | - | - | - | 3 | - |
| Net assets | <u>\$ 9</u> | <u>\$ 8,714</u> | <u>\$ 113</u> | <u>\$ 133,022</u> | <u>\$ 266</u> |
| Net assets | | | | | |
| Accumulation units | \$ 9 | \$ 8,714 | \$ 113 | \$ 132,827 | \$ 266 |
| Contracts in payout (annuitization) | - | - | - | 195 | - |
| Total net assets | <u>\$ 9</u> | <u>\$ 8,714</u> | <u>\$ 113</u> | <u>\$ 133,022</u> | <u>\$ 266</u> |
| Total number of mutual fund shares | <u>700</u> | <u>674,457</u> | <u>9,264</u> | <u>10,457,908</u> | <u>21,128</u> |
| Cost of mutual fund shares | <u>\$ 8</u> | <u>\$ 7,601</u> | <u>\$ 120</u> | <u>\$ 139,998</u> | <u>\$ 279</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, 2011
(Dollars in thousands)

| | ING Large Cap Value Portfolio - Institutional Class | ING Large Cap Value Portfolio - Service Class | ING Marsico Growth Portfolio - Institutional Class | ING Marsico Growth Portfolio - Service Class | ING MFS Total Return Portfolio - Adviser Class |
|--|--|--|---|---|---|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 212,317 | \$ 821 | \$ 8,799 | \$ 570 | \$ 1,120 |
| Total assets | 212,317 | 821 | 8,799 | 570 | 1,120 |
| Liabilities | | | | | |
| Due to related parties | 5 | - | - | - | - |
| Total liabilities | 5 | - | - | - | - |
| Net assets | <u>\$ 212,312</u> | <u>\$ 821</u> | <u>\$ 8,799</u> | <u>\$ 570</u> | <u>\$ 1,120</u> |
| Net assets | | | | | |
| Accumulation units | \$ 209,385 | \$ 821 | \$ 8,799 | \$ 570 | \$ 1,120 |
| Contracts in payout (annuitization) | 2,927 | - | - | - | - |
| Total net assets | <u>\$ 212,312</u> | <u>\$ 821</u> | <u>\$ 8,799</u> | <u>\$ 570</u> | <u>\$ 1,120</u> |
| Total number of mutual fund shares | <u>25,704,223</u> | <u>100,270</u> | <u>518,504</u> | <u>33,941</u> | <u>75,881</u> |
| Cost of mutual fund shares | <u>\$ 211,660</u> | <u>\$ 817</u> | <u>\$ 7,781</u> | <u>\$ 521</u> | <u>\$ 1,011</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, 2011
(Dollars in thousands)

| | ING MFS Total Return Portfolio - Institutional Class | ING MFS Total Return Portfolio - Service Class | ING MFS Utilities Portfolio - Service Class | ING Morgan Stanley Global Franchise Portfolio - Adviser Class | ING PIMCO High Yield Portfolio - Adviser Class |
|--|---|---|--|--|---|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 55,605 | \$ 24,887 | \$ 42,550 | \$ 15 | \$ 29 |
| Total assets | 55,605 | 24,887 | 42,550 | 15 | 29 |
| Liabilities | | | | | |
| Due to related parties | 1 | 1 | 1 | - | - |
| Total liabilities | 1 | 1 | 1 | - | - |
| Net assets | <u>\$ 55,604</u> | <u>\$ 24,886</u> | <u>\$ 42,549</u> | <u>\$ 15</u> | <u>\$ 29</u> |
| Net assets | | | | | |
| Accumulation units | \$ 55,604 | \$ 24,886 | \$ 42,549 | \$ 15 | \$ 29 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | <u>\$ 55,604</u> | <u>\$ 24,886</u> | <u>\$ 42,549</u> | <u>\$ 15</u> | <u>\$ 29</u> |
| Total number of mutual fund shares | <u>3,741,925</u> | <u>1,674,766</u> | <u>3,114,946</u> | <u>983</u> | <u>2,953</u> |
| Cost of mutual fund shares | <u>\$ 60,820</u> | <u>\$ 26,220</u> | <u>\$ 43,657</u> | <u>\$ 14</u> | <u>\$ 29</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, 2011
(Dollars in thousands)

| | ING PIMCO High Yield Portfolio - Institutional Class | ING PIMCO High Yield Portfolio - Service Class | ING Pioneer Fund Portfolio - Institutional Class | ING Pioneer Fund Portfolio - Service Class | ING Pioneer Mid Cap Value Portfolio - Institutional Class |
|--|---|---|---|---|--|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 10,100 | \$ 23,608 | \$ 19,761 | \$ 271 | \$ 80,952 |
| Total assets | 10,100 | 23,608 | 19,761 | 271 | 80,952 |
| Liabilities | | | | | |
| Due to related parties | - | 1 | - | - | 2 |
| Total liabilities | - | 1 | - | - | 2 |
| Net assets | <u>\$ 10,100</u> | <u>\$ 23,607</u> | <u>\$ 19,761</u> | <u>\$ 271</u> | <u>\$ 80,950</u> |
| Net assets | | | | | |
| Accumulation units | \$ 10,100 | \$ 23,607 | \$ 19,544 | \$ 271 | \$ 79,952 |
| Contracts in payout (annuitization) | - | - | 217 | - | 998 |
| Total net assets | <u>\$ 10,100</u> | <u>\$ 23,607</u> | <u>\$ 19,761</u> | <u>\$ 271</u> | <u>\$ 80,950</u> |
| Total number of mutual fund shares | <u>1,017,145</u> | <u>2,377,404</u> | <u>1,882,008</u> | <u>25,758</u> | <u>7,874,685</u> |
| Cost of mutual fund shares | <u>\$ 10,279</u> | <u>\$ 23,204</u> | <u>\$ 20,357</u> | <u>\$ 264</u> | <u>\$ 87,786</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, 2011
(Dollars in thousands)

| | ING Pioneer Mid Cap Value Portfolio - Service Class | ING T. Rowe Price Capital Appreciation Portfolio - Adviser 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 |
|-------------------------------------|--|---|---|--|--|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 359 | \$ 146 | \$ 396,106 | \$ 1,447 | \$ 100,172 |
| Total assets | 359 | 146 | 396,106 | 1,447 | 100,172 |
| Liabilities | | | | | |
| Due to related parties | - | - | 9 | - | 2 |
| Total liabilities | - | - | 9 | - | 2 |
| Net assets | <u>\$ 359</u> | <u>\$ 146</u> | <u>\$ 396,097</u> | <u>\$ 1,447</u> | <u>\$ 100,170</u> |
| Net assets | | | | | |
| Accumulation units | \$ 359 | \$ 146 | \$ 396,097 | \$ 1,447 | \$ 100,068 |
| Contracts in payout (annuitization) | - | - | - | - | 102 |
| Total net assets | <u>\$ 359</u> | <u>\$ 146</u> | <u>\$ 396,097</u> | <u>\$ 1,447</u> | <u>\$ 100,170</u> |
| | | | | | |
| Total number of mutual fund shares | <u>34,923</u> | <u>6,495</u> | <u>17,304,755</u> | <u>127,600</u> | <u>8,756,255</u> |
| | | | | | |
| Cost of mutual fund shares | <u>\$ 317</u> | <u>\$ 151</u> | <u>\$ 381,904</u> | <u>\$ 1,353</u> | <u>\$ 101,094</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, 2011
(Dollars in thousands)

| | ING T. Rowe Price International Stock Portfolio - Adviser Class | ING T. Rowe Price International Stock Portfolio - Service Class | ING Templeton Global Growth Portfolio - Institutional Class | ING Templeton Global Growth Portfolio - Service Class | ING U.S. Stock Index Portfolio - Institutional Class |
|-------------------------------------|--|--|--|--|---|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 83 | \$ 6,872 | \$ 709 | \$ 3,825 | \$ 6,870 |
| Total assets | 83 | 6,872 | 709 | 3,825 | 6,870 |
| Liabilities | | | | | |
| Due to related parties | - | - | - | - | - |
| Total liabilities | - | - | - | - | - |
| Net assets | \$ 83 | \$ 6,872 | \$ 709 | \$ 3,825 | \$ 6,870 |
| Net assets | | | | | |
| Accumulation units | \$ 83 | \$ 6,872 | \$ 709 | \$ 3,825 | \$ 6,870 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | \$ 83 | \$ 6,872 | \$ 709 | \$ 3,825 | \$ 6,870 |
| Total number of mutual fund shares | 8,292 | 695,525 | 67,851 | 364,959 | 659,924 |
| Cost of mutual fund shares | \$ 89 | \$ 7,086 | \$ 705 | \$ 3,737 | \$ 6,914 |

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, 2011
(Dollars in thousands)

| | ING Money Market Portfolio - Class I | ING Global Real Estate Fund - Class A | ING International Capital Appreciation Fund - Class I | ING International SmallCap Multi-Manager Fund - Class A | ING American Century Small- Mid Cap Value Portfolio - Adviser Class |
|--|---|--|--|--|--|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 341,911 | \$ 63 | \$ 2 | \$ 1,134 | \$ 110 |
| Total assets | 341,911 | 63 | 2 | 1,134 | 110 |
| Liabilities | | | | | |
| Due to related parties | 7 | - | - | - | - |
| Total liabilities | 7 | - | - | - | - |
| Net assets | <u>\$ 341,904</u> | <u>\$ 63</u> | <u>\$ 2</u> | <u>\$ 1,134</u> | <u>\$ 110</u> |
| Net assets | | | | | |
| Accumulation units | \$ 339,278 | \$ 63 | \$ 2 | \$ 1,134 | \$ 110 |
| Contracts in payout (annuitization) | 2,626 | - | - | - | - |
| Total net assets | <u>\$ 341,904</u> | <u>\$ 63</u> | <u>\$ 2</u> | <u>\$ 1,134</u> | <u>\$ 110</u> |
| Total number of mutual fund shares | <u>341,911,320</u> | <u>4,218</u> | <u>251</u> | <u>34,879</u> | <u>9,936</u> |
| Cost of mutual fund shares | <u>\$ 341,911</u> | <u>\$ 65</u> | <u>\$ 2</u> | <u>\$ 1,064</u> | <u>\$ 105</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, 2011
(Dollars in thousands)

| | ING American Century Small- Mid Cap Value Portfolio - Initial Class | ING American Century Small- Mid Cap Value 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 - Adviser Class |
|-------------------------------------|--|--|---|---|--|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 5 | \$ 44,007 | \$ 1,233 | \$ 121,610 | \$ 234 |
| Total assets | 5 | 44,007 | 1,233 | 121,610 | 234 |
| Liabilities | | | | | |
| Due to related parties | - | 1 | - | 3 | - |
| Total liabilities | - | 1 | - | 3 | - |
| Net assets | \$ 5 | \$ 44,006 | \$ 1,233 | \$ 121,607 | \$ 234 |
| Net assets | | | | | |
| Accumulation units | \$ 5 | \$ 43,478 | \$ 1,233 | \$ 120,290 | \$ 234 |
| Contracts in payout (annuitization) | - | 528 | - | 1,317 | - |
| Total net assets | \$ 5 | \$ 44,006 | \$ 1,233 | \$ 121,607 | \$ 234 |
| Total number of mutual fund shares | 464 | 3,894,383 | 65,318 | 6,278,277 | 23,582 |
| Cost of mutual fund shares | \$ 5 | \$ 39,534 | \$ 856 | \$ 103,027 | \$ 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 Assets and Liabilities
December 31, 2011
(Dollars in thousands)

| | 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 Global Bond Portfolio - Adviser Class | ING Global Bond Portfolio - Initial Class |
|-------------------------------------|--|---|--|--|--|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 3,093 | \$ 11,915 | \$ 7,970 | \$ 413 | \$ 155,541 |
| Total assets | 3,093 | 11,915 | 7,970 | 413 | 155,541 |
| Liabilities | | | | | |
| Due to related parties | - | - | - | - | 4 |
| Total liabilities | - | - | - | - | 4 |
| Net assets | <u>\$ 3,093</u> | <u>\$ 11,915</u> | <u>\$ 7,970</u> | <u>\$ 413</u> | <u>\$ 155,537</u> |
| Net assets | | | | | |
| Accumulation units | \$ 3,093 | \$ 11,824 | \$ 7,970 | \$ 413 | \$ 152,155 |
| Contracts in payout (annuitization) | - | 91 | - | - | 3,382 |
| Total net assets | <u>\$ 3,093</u> | <u>\$ 11,915</u> | <u>\$ 7,970</u> | <u>\$ 413</u> | <u>\$ 155,537</u> |
| | | | | | |
| Total number of mutual fund shares | <u>307,445</u> | <u>711,358</u> | <u>678,884</u> | <u>36,814</u> | <u>13,740,361</u> |
| | | | | | |
| Cost of mutual fund shares | <u>\$ 3,122</u> | <u>\$ 11,357</u> | <u>\$ 7,373</u> | <u>\$ 411</u> | <u>\$ 150,425</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
December 31, 2011
(Dollars in thousands)

| | ING Global Bond Portfolio - Service Class | ING Index Solution 2015 Portfolio - Initial Class | ING Index Solution 2015 Portfolio - Service Class | ING Index Solution 2015 Portfolio - Service 2 Class | ING Index Solution 2025 Portfolio - Initial Class |
|-------------------------------------|--|--|--|--|--|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 891 | \$ 11 | \$ 552 | \$ 798 | \$ 78 |
| Total assets | 891 | 11 | 552 | 798 | 78 |
| Liabilities | | | | | |
| Due to related parties | - | - | - | - | - |
| Total liabilities | - | - | - | - | - |
| Net assets | <u>\$ 891</u> | <u>\$ 11</u> | <u>\$ 552</u> | <u>\$ 798</u> | <u>\$ 78</u> |
| Net assets | | | | | |
| Accumulation units | \$ 879 | \$ 11 | \$ 552 | \$ 798 | \$ 78 |
| Contracts in payout (annuitization) | 12 | - | - | - | - |
| Total net assets | <u>\$ 891</u> | <u>\$ 11</u> | <u>\$ 552</u> | <u>\$ 798</u> | <u>\$ 78</u> |
| | | | | | |
| Total number of mutual fund shares | <u>78,673</u> | <u>1,130</u> | <u>55,339</u> | <u>80,912</u> | <u>8,003</u> |
| | | | | | |
| Cost of mutual fund shares | <u>\$ 931</u> | <u>\$ 11</u> | <u>\$ 544</u> | <u>\$ 809</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 Assets and Liabilities
December 31, 2011
(Dollars in thousands)

| | ING Index Solution 2025 Portfolio - Service Class | ING Index Solution 2025 Portfolio - Service 2 Class | ING Index Solution 2035 Portfolio - Initial Class | ING Index Solution 2035 Portfolio - Service Class | ING Index Solution 2035 Portfolio - Service 2 Class |
|-------------------------------------|--|--|--|--|--|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 49 | \$ 2,003 | \$ 42 | \$ 80 | \$ 1,557 |
| Total assets | 49 | 2,003 | 42 | 80 | 1,557 |
| Liabilities | | | | | |
| Due to related parties | - | - | - | - | - |
| Total liabilities | - | - | - | - | - |
| Net assets | \$ 49 | \$ 2,003 | \$ 42 | \$ 80 | \$ 1,557 |
| Net assets | | | | | |
| Accumulation units | \$ 49 | \$ 2,003 | \$ 42 | \$ 80 | \$ 1,557 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | \$ 49 | \$ 2,003 | \$ 42 | \$ 80 | \$ 1,557 |
| Total number of mutual fund shares | 5,070 | 210,182 | 4,457 | 8,562 | 167,623 |
| Cost of mutual fund shares | \$ 53 | \$ 2,063 | \$ 41 | \$ 89 | \$ 1,609 |

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, 2011
(Dollars in thousands)

| | ING Index Solution 2045 Portfolio - Initial Class | ING Index Solution 2045 Portfolio - Service Class | ING Index Solution 2045 Portfolio - Service 2 Class | ING Index Solution 2055 Portfolio - Initial Class | ING Index Solution 2055 Portfolio - Service Class |
|-------------------------------------|--|--|--|--|--|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 17 | \$ 19 | \$ 923 | \$ - | \$ 64 |
| Total assets | 17 | 19 | 923 | - | 64 |
| Liabilities | | | | | |
| Due to related parties | - | - | - | - | - |
| Total liabilities | - | - | - | - | - |
| Net assets | \$ 17 | \$ 19 | \$ 923 | \$ - | \$ 64 |
| Net assets | | | | | |
| Accumulation units | \$ 17 | \$ 19 | \$ 923 | \$ - | \$ 64 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | \$ 17 | \$ 19 | \$ 923 | \$ - | \$ 64 |
| | | | | | |
| Total number of mutual fund shares | 1,809 | 2,025 | 100,392 | 36 | 6,046 |
| | | | | | |
| Cost of mutual fund shares | \$ 17 | \$ 21 | \$ 949 | \$ - | \$ 66 |

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, 2011
(Dollars in thousands)

| | ING Index Solution 2055 Portfolio - Service 2 Class | ING Index Solution Income Portfolio - Service Class | ING Index Solution Income Portfolio - Service 2 Class | ING Invesco Van Kampen Comstock Portfolio - Adviser Class | ING Invesco Van Kampen Comstock Portfolio - Service Class |
|-------------------------------------|--|--|--|--|--|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 53 | \$ 645 | \$ 186 | \$ 297 | \$ 46,670 |
| Total assets | 53 | 645 | 186 | 297 | 46,670 |
| Liabilities | | | | | |
| Due to related parties | - | - | - | - | 1 |
| Total liabilities | - | - | - | - | 1 |
| Net assets | <u>\$ 53</u> | <u>\$ 645</u> | <u>\$ 186</u> | <u>\$ 297</u> | <u>\$ 46,669</u> |
| Net assets | | | | | |
| Accumulation units | \$ 53 | \$ 645 | \$ 186 | \$ 297 | \$ 45,475 |
| Contracts in payout (annuitization) | - | - | - | - | 1,194 |
| Total net assets | <u>\$ 53</u> | <u>\$ 645</u> | <u>\$ 186</u> | <u>\$ 297</u> | <u>\$ 46,669</u> |
| | | | | | |
| Total number of mutual fund shares | <u>4,970</u> | <u>61,325</u> | <u>17,923</u> | <u>30,361</u> | <u>4,752,591</u> |
| | | | | | |
| Cost of mutual fund shares | <u>\$ 57</u> | <u>\$ 644</u> | <u>\$ 187</u> | <u>\$ 293</u> | <u>\$ 52,021</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, 2011
(Dollars in thousands)

| | ING Invesco Van Kampen Equity and Income Portfolio - Adviser Class | ING Invesco Van Kampen Equity and Income Portfolio - Initial Class | ING Invesco Van Kampen Equity and Income Portfolio - Service Class | ING JPMorgan Mid Cap Value Portfolio - Adviser Class | ING JPMorgan Mid Cap Value Portfolio - Service Class |
|--|---|---|---|---|---|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 649 | \$ 228,839 | \$ 229 | \$ 308 | \$ 30,684 |
| Total assets | 649 | 228,839 | 229 | 308 | 30,684 |
| Liabilities | | | | | |
| Due to related parties | - | 6 | - | - | 1 |
| Total liabilities | - | 6 | - | - | 1 |
| Net assets | <u>\$ 649</u> | <u>\$ 228,833</u> | <u>\$ 229</u> | <u>\$ 308</u> | <u>\$ 30,683</u> |
| Net assets | | | | | |
| Accumulation units | \$ 649 | \$ 225,098 | \$ 229 | \$ 308 | \$ 29,648 |
| Contracts in payout (annuitization) | - | 3,735 | - | - | 1,035 |
| Total net assets | <u>\$ 649</u> | <u>\$ 228,833</u> | <u>\$ 229</u> | <u>\$ 308</u> | <u>\$ 30,683</u> |
| Total number of mutual fund shares | <u>19,925</u> | <u>6,924,018</u> | <u>6,988</u> | <u>22,118</u> | <u>2,190,131</u> |
| Cost of mutual fund shares | <u>\$ 655</u> | <u>\$ 232,004</u> | <u>\$ 215</u> | <u>\$ 252</u> | <u>\$ 29,908</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, 2011
(Dollars in thousands)

| | ING Oppenheimer Global Portfolio - Adviser Class | ING Oppenheimer Global Portfolio - Initial Class | ING Oppenheimer Global Portfolio - Service Class | ING PIMCO Total Return Portfolio - Adviser Class | ING PIMCO Total Return Portfolio - Initial Class |
|-------------------------------------|---|---|---|---|---|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 515 | \$ 498,462 | \$ 638 | \$ 2,578 | \$ 78 |
| Total assets | 515 | 498,462 | 638 | 2,578 | 78 |
| Liabilities | | | | | |
| Due to related parties | - | 13 | - | - | - |
| Total liabilities | - | 13 | - | - | - |
| Net assets | \$ 515 | \$ 498,449 | \$ 638 | \$ 2,578 | \$ 78 |
| Net assets | | | | | |
| Accumulation units | \$ 515 | \$ 495,397 | \$ 638 | \$ 2,578 | \$ 78 |
| Contracts in payout (annuitization) | - | 3,052 | - | - | - |
| Total net assets | \$ 515 | \$ 498,449 | \$ 638 | \$ 2,578 | \$ 78 |
| Total number of mutual fund shares | 42,348 | 39,749,756 | 52,301 | 224,592 | 6,603 |
| Cost of mutual fund shares | \$ 477 | \$ 507,209 | \$ 653 | \$ 2,666 | \$ 77 |

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, 2011
(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 |
|-------------------------------------|---|---|---|--|--|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 232,934 | \$ 19,191 | \$ 393 | \$ 805 | \$ 60,329 |
| Total assets | 232,934 | 19,191 | 393 | 805 | 60,329 |
| Liabilities | | | | | |
| Due to related parties | 6 | - | - | - | 1 |
| Total liabilities | 6 | - | - | - | 1 |
| Net assets | <u>\$ 232,928</u> | <u>\$ 19,191</u> | <u>\$ 393</u> | <u>\$ 805</u> | <u>\$ 60,328</u> |
| Net assets | | | | | |
| Accumulation units | \$ 227,282 | \$ 18,169 | \$ 393 | \$ 805 | \$ 60,328 |
| Contracts in payout (annuitization) | 5,646 | 1,022 | - | - | - |
| Total net assets | <u>\$ 232,928</u> | <u>\$ 19,191</u> | <u>\$ 393</u> | <u>\$ 805</u> | <u>\$ 60,328</u> |
| | | | | | |
| Total number of mutual fund shares | <u>19,994,295</u> | <u>1,819,070</u> | <u>37,281</u> | <u>76,816</u> | <u>5,691,368</u> |
| | | | | | |
| Cost of mutual fund shares | <u>\$ 233,578</u> | <u>\$ 19,351</u> | <u>\$ 389</u> | <u>\$ 807</u> | <u>\$ 59,833</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, 2011
(Dollars in thousands)

| | ING Solution 2015 Portfolio - Service 2 Class | ING Solution 2025 Portfolio - Adviser Class | ING Solution 2025 Portfolio - Service Class | ING Solution 2025 Portfolio - Service 2 Class | ING Solution 2035 Portfolio - Adviser Class |
|-------------------------------------|--|--|--|--|--|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 13,912 | \$ 387 | \$ 92,208 | \$ 19,675 | \$ 338 |
| Total assets | 13,912 | 387 | 92,208 | 19,675 | 338 |
| Liabilities | | | | | |
| Due to related parties | - | - | 2 | - | - |
| Total liabilities | - | - | 2 | - | - |
| Net assets | <u>\$ 13,912</u> | <u>\$ 387</u> | <u>\$ 92,206</u> | <u>\$ 19,675</u> | <u>\$ 338</u> |
| Net assets | | | | | |
| Accumulation units | \$ 13,912 | \$ 387 | \$ 92,206 | \$ 19,675 | \$ 338 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | <u>\$ 13,912</u> | <u>\$ 387</u> | <u>\$ 92,206</u> | <u>\$ 19,675</u> | <u>\$ 338</u> |
| | | | | | |
| Total number of mutual fund shares | <u>1,340,292</u> | <u>37,230</u> | <u>8,765,046</u> | <u>1,906,490</u> | <u>32,275</u> |
| | | | | | |
| Cost of mutual fund shares | <u>\$ 14,096</u> | <u>\$ 386</u> | <u>\$ 92,148</u> | <u>\$ 19,771</u> | <u>\$ 339</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, 2011
(Dollars in thousands)

| | ING Solution 2035 Portfolio - Service Class | ING Solution 2035 Portfolio - Service 2 Class | ING Solution 2045 Portfolio - Adviser Class | ING Solution 2045 Portfolio - Service Class | ING Solution 2045 Portfolio - Service 2 Class |
|-------------------------------------|--|--|--|--|--|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 76,469 | \$ 16,464 | \$ 115 | \$ 55,373 | \$ 13,383 |
| Total assets | 76,469 | 16,464 | 115 | 55,373 | 13,383 |
| Liabilities | | | | | |
| Due to related parties | 2 | - | - | 1 | - |
| Total liabilities | 2 | - | - | 1 | - |
| Net assets | <u>\$ 76,467</u> | <u>\$ 16,464</u> | <u>\$ 115</u> | <u>\$ 55,372</u> | <u>\$ 13,383</u> |
| Net assets | | | | | |
| Accumulation units | \$ 76,467 | \$ 16,464 | \$ 115 | \$ 55,372 | \$ 13,383 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | <u>\$ 76,467</u> | <u>\$ 16,464</u> | <u>\$ 115</u> | <u>\$ 55,372</u> | <u>\$ 13,383</u> |
| | | | | | |
| Total number of mutual fund shares | <u>7,207,297</u> | <u>1,589,197</u> | <u>10,861</u> | <u>5,189,614</u> | <u>1,275,762</u> |
| | | | | | |
| Cost of mutual fund shares | <u>\$ 75,630</u> | <u>\$ 16,599</u> | <u>\$ 121</u> | <u>\$ 54,039</u> | <u>\$ 13,419</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, 2011
(Dollars in thousands)

| | ING Solution 2055 Portfolio - Service Class | ING Solution 2055 Portfolio - Service 2 Class | ING Solution Growth Portfolio - Service Class | ING Solution Income Portfolio - Adviser Class | ING Solution Income Portfolio - Service Class |
|-------------------------------------|--|--|--|--|--|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 1,414 | \$ 259 | \$ 1,775 | \$ 303 | \$ 13,757 |
| Total assets | 1,414 | 259 | 1,775 | 303 | 13,757 |
| Liabilities | | | | | |
| Due to related parties | - | - | - | - | - |
| Total liabilities | - | - | - | - | - |
| Net assets | \$ 1,414 | \$ 259 | \$ 1,775 | \$ 303 | \$ 13,757 |
| Net assets | | | | | |
| Accumulation units | \$ 1,414 | \$ 259 | \$ 1,775 | \$ 303 | \$ 13,757 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | \$ 1,414 | \$ 259 | \$ 1,775 | \$ 303 | \$ 13,757 |
| | | | | | |
| Total number of mutual fund shares | 132,135 | 24,218 | 198,968 | 29,149 | 1,306,428 |
| | | | | | |
| Cost of mutual fund shares | \$ 1,423 | \$ 266 | \$ 1,736 | \$ 313 | \$ 13,488 |

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, 2011
(Dollars in thousands)

| | ING Solution Income Portfolio - Service 2 Class | ING Solution Moderate 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 |
|-------------------------------------|--|--|---|---|---|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 2,646 | \$ 3,018 | \$ 409 | \$ 309,536 | \$ 580 |
| Total assets | 2,646 | 3,018 | 409 | 309,536 | 580 |
| Liabilities | | | | | |
| Due to related parties | - | - | - | 8 | - |
| Total liabilities | - | - | - | 8 | - |
| Net assets | \$ 2,646 | \$ 3,018 | \$ 409 | \$ 309,528 | \$ 580 |
| Net assets | | | | | |
| Accumulation units | \$ 2,646 | \$ 3,018 | \$ 409 | \$ 308,313 | \$ 580 |
| Contracts in payout (annuitization) | - | - | - | 1,215 | - |
| Total net assets | \$ 2,646 | \$ 3,018 | \$ 409 | \$ 309,528 | \$ 580 |
| | | | | | |
| Total number of mutual fund shares | 256,378 | 311,138 | 51,786 | 37,519,491 | 71,463 |
| | | | | | |
| Cost of mutual fund shares | \$ 2,710 | \$ 2,842 | \$ 351 | \$ 289,099 | \$ 484 |

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, 2011
(Dollars in thousands)

| | 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 |
|--|--|--|--|---|---|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 1,139 | \$ 208,721 | \$ 2,053 | \$ 457 | \$ 77,993 |
| Total assets | 1,139 | 208,721 | 2,053 | 457 | 77,993 |
| Liabilities | | | | | |
| Due to related parties | - | 5 | - | - | 2 |
| Total liabilities | - | 5 | - | - | 2 |
| Net assets | <u>\$ 1,139</u> | <u>\$ 208,716</u> | <u>\$ 2,053</u> | <u>\$ 457</u> | <u>\$ 77,991</u> |
| Net assets | | | | | |
| Accumulation units | \$ 1,139 | \$ 207,401 | \$ 2,053 | \$ 457 | \$ 75,842 |
| Contracts in payout (annuitization) | - | 1,315 | - | - | 2,149 |
| Total net assets | <u>\$ 1,139</u> | <u>\$ 208,716</u> | <u>\$ 2,053</u> | <u>\$ 457</u> | <u>\$ 77,991</u> |
| Total number of mutual fund shares | <u>21,657</u> | <u>3,871,652</u> | <u>38,592</u> | <u>48,388</u> | <u>8,192,591</u> |
| Cost of mutual fund shares | <u>\$ 1,000</u> | <u>\$ 179,464</u> | <u>\$ 1,840</u> | <u>\$ 510</u> | <u>\$ 100,069</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, 2011
(Dollars in thousands)

| | 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 |
|--|---|--|--|--|--|
| Assets | | | | | |
| Investments in mutual funds at fair value | \$ 86 | \$ 614 | \$ 75,737 | \$ 82 | \$ 66,890 |
| Total assets | 86 | 614 | 75,737 | 82 | 66,890 |
| Liabilities | | | | | |
| Due to related parties | - | - | 2 | - | 2 |
| Total liabilities | - | - | 2 | - | 2 |
| Net assets | <u>\$ 86</u> | <u>\$ 614</u> | <u>\$ 75,735</u> | <u>\$ 82</u> | <u>\$ 66,888</u> |
| Net assets | | | | | |
| Accumulation units | \$ 86 | \$ 614 | \$ 74,990 | \$ 82 | \$ 66,431 |
| Contracts in payout (annuitization) | - | - | 745 | - | 457 |
| Total net assets | <u>\$ 86</u> | <u>\$ 614</u> | <u>\$ 75,735</u> | <u>\$ 82</u> | <u>\$ 66,888</u> |
| Total number of mutual fund shares | <u>9,073</u> | <u>22,895</u> | <u>2,749,085</u> | <u>9,586</u> | <u>7,670,901</u> |
| Cost of mutual fund shares | <u>\$ 87</u> | <u>\$ 709</u> | <u>\$ 74,541</u> | <u>\$ 75</u> | <u>\$ 64,429</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, 2011
(Dollars in thousands)

| | ING UBS U.S. Large Cap Equity Portfolio - Service Class | ING Core Equity Research Fund - Class A | ING Strategic Allocation Conservative Portfolio - Class I | ING Strategic Allocation Growth Portfolio - Class I | ING Strategic Allocation Moderate Portfolio - Class I |
|-------------------------------------|--|--|--|--|--|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 18 | \$ 189 | \$ 31,637 | \$ 61,427 | \$ 57,882 |
| Total assets | 18 | 189 | 31,637 | 61,427 | 57,882 |
| Liabilities | | | | | |
| Due to related parties | - | - | 1 | 2 | 1 |
| Total liabilities | - | - | 1 | 2 | 1 |
| Net assets | <u>\$ 18</u> | <u>\$ 189</u> | <u>\$ 31,636</u> | <u>\$ 61,425</u> | <u>\$ 57,881</u> |
| Net assets | | | | | |
| Accumulation units | \$ 18 | \$ 189 | \$ 30,536 | \$ 60,844 | \$ 56,798 |
| Contracts in payout (annuitization) | - | - | 1,100 | 581 | 1,083 |
| Total net assets | <u>\$ 18</u> | <u>\$ 189</u> | <u>\$ 31,636</u> | <u>\$ 61,425</u> | <u>\$ 57,881</u> |
| | | | | | |
| Total number of mutual fund shares | <u>2,053</u> | <u>16,468</u> | <u>3,104,678</u> | <u>6,332,708</u> | <u>5,829,013</u> |
| | | | | | |
| Cost of mutual fund shares | <u>\$ 18</u> | <u>\$ 179</u> | <u>\$ 32,550</u> | <u>\$ 75,613</u> | <u>\$ 66,412</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, 2011
(Dollars in thousands)

| | ING Growth and Income Portfolio - Class A | ING Growth and Income Portfolio - Class I | ING Growth and Income Portfolio - Class S | ING GET U.S. Core Portfolio - Series 7 | ING GET U.S. Core Portfolio - Series 8 |
|--|--|--|--|---|---|
| Assets | | | | | |
| Investments in mutual funds at fair value | \$ 856 | \$ 1,044,180 | \$ 7,254 | \$ 966 | \$ 329 |
| Total assets | 856 | 1,044,180 | 7,254 | 966 | 329 |
| Liabilities | | | | | |
| Due to related parties | - | 31 | - | - | - |
| Total liabilities | - | 31 | - | - | - |
| Net assets | \$ 856 | \$ 1,044,149 | \$ 7,254 | \$ 966 | \$ 329 |
| Net assets | | | | | |
| Accumulation units | \$ 856 | \$ 968,340 | \$ 7,254 | \$ 966 | \$ 329 |
| Contracts in payout (annuitization) | - | 75,809 | - | - | - |
| Total net assets | \$ 856 | \$ 1,044,149 | \$ 7,254 | \$ 966 | \$ 329 |
| Total number of mutual fund shares | 40,037 | 48,364,053 | 338,987 | 124,665 | 42,348 |
| Cost of mutual fund shares | \$ 795 | \$ 1,097,686 | \$ 7,232 | \$ 1,126 | \$ 384 |

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, 2011
(Dollars in thousands)

| | 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 BlackRock Science and Technology Opportunities Portfolio - Adviser Class | ING BlackRock Science and Technology Opportunities Portfolio - Class I |
|--|---|--|--|---|---|
| Assets | | | | | |
| Investments in mutual funds at fair value | \$ 99 | \$ 47 | \$ 31 | \$ 2 | \$ 45,759 |
| Total assets | 99 | 47 | 31 | 2 | 45,759 |
| Liabilities | | | | | |
| Due to related parties | - | - | - | - | 1 |
| Total liabilities | - | - | - | - | 1 |
| Net assets | <u>\$ 99</u> | <u>\$ 47</u> | <u>\$ 31</u> | <u>\$ 2</u> | <u>\$ 45,758</u> |
| Net assets | | | | | |
| Accumulation units | \$ 99 | \$ 47 | \$ 31 | \$ 2 | \$ 45,758 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | <u>\$ 99</u> | <u>\$ 47</u> | <u>\$ 31</u> | <u>\$ 2</u> | <u>\$ 45,758</u> |
| Total number of mutual fund shares | <u>12,618</u> | <u>5,867</u> | <u>3,927</u> | <u>423</u> | <u>8,601,385</u> |
| Cost of mutual fund shares | <u>\$ 116</u> | <u>\$ 55</u> | <u>\$ 37</u> | <u>\$ 2</u> | <u>\$ 42,315</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, 2011
(Dollars in thousands)

| | ING Index Plus LargeCap Portfolio - Class I | ING Index Plus LargeCap Portfolio - Class S | ING Index Plus MidCap Portfolio - Class I | ING Index Plus MidCap Portfolio - Class S | ING Index Plus SmallCap Portfolio - Class I |
|-------------------------------------|--|--|--|--|--|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 262,858 | \$ 383 | \$ 280,462 | \$ 389 | \$ 110,540 |
| Total assets | 262,858 | 383 | 280,462 | 389 | 110,540 |
| Liabilities | | | | | |
| Due to related parties | 7 | - | 7 | - | 3 |
| Total liabilities | 7 | - | 7 | - | 3 |
| Net assets | <u>\$ 262,851</u> | <u>\$ 383</u> | <u>\$ 280,455</u> | <u>\$ 389</u> | <u>\$ 110,537</u> |
| Net assets | | | | | |
| Accumulation units | \$ 259,740 | \$ 383 | \$ 279,160 | \$ 389 | \$ 109,847 |
| Contracts in payout (annuitization) | 3,111 | - | 1,295 | - | 690 |
| Total net assets | <u>\$ 262,851</u> | <u>\$ 383</u> | <u>\$ 280,455</u> | <u>\$ 389</u> | <u>\$ 110,537</u> |
| | | | | | |
| Total number of mutual fund shares | <u>19,271,137</u> | <u>28,293</u> | <u>18,427,210</u> | <u>25,822</u> | <u>7,981,220</u> |
| | | | | | |
| Cost of mutual fund shares | <u>\$ 255,941</u> | <u>\$ 375</u> | <u>\$ 299,545</u> | <u>\$ 337</u> | <u>\$ 118,493</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, 2011
(Dollars in thousands)

| | ING Index Plus SmallCap Portfolio - Class S | ING International Index Portfolio - Class I | ING International Index Portfolio - Class S | ING Russell™ Large Cap Growth Index Portfolio - Class I | ING Russell™ Large Cap Growth Index Portfolio - Class S |
|-------------------------------------|--|--|--|--|--|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 181 | \$ 17,553 | \$ 7 | \$ 5,308 | \$ 581 |
| Total assets | 181 | 17,553 | 7 | 5,308 | 581 |
| Liabilities | | | | | |
| Due to related parties | - | - | - | - | - |
| Total liabilities | - | - | - | - | - |
| Net assets | \$ 181 | \$ 17,553 | \$ 7 | \$ 5,308 | \$ 581 |
| Net assets | | | | | |
| Accumulation units | \$ 181 | \$ 16,992 | \$ 7 | \$ 5,253 | \$ 581 |
| Contracts in payout (annuitization) | - | 561 | - | 55 | - |
| Total net assets | \$ 181 | \$ 17,553 | \$ 7 | \$ 5,308 | \$ 581 |
| Total number of mutual fund shares | 13,177 | 2,394,690 | 893 | 358,142 | 39,360 |
| Cost of mutual fund shares | \$ 144 | \$ 18,590 | \$ 8 | \$ 5,000 | \$ 545 |

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, 2011
(Dollars in thousands)

| | ING Russell™ Large Cap Index Portfolio - Class I | ING Russell™ Large Cap Index Portfolio - Class S | ING Russell™ Large Cap Value Index Portfolio - Class I | ING Russell™ Large Cap Value Index Portfolio - Class S | ING Russell™ Mid Cap Growth Index Portfolio - Class S |
|--|---|---|---|---|--|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 13,923 | \$ 9 | \$ 184 | \$ 2,795 | \$ 5,207 |
| Total assets | 13,923 | 9 | 184 | 2,795 | 5,207 |
| Liabilities | | | | | |
| Due to related parties | - | - | - | - | - |
| Total liabilities | - | - | - | - | - |
| Net assets | <u>\$ 13,923</u> | <u>\$ 9</u> | <u>\$ 184</u> | <u>\$ 2,795</u> | <u>\$ 5,207</u> |
| Net assets | | | | | |
| Accumulation units | \$ 13,923 | \$ - | \$ 184 | \$ 2,795 | \$ 5,207 |
| Contracts in payout (annuitization) | - | 9 | - | - | - |
| Total net assets | <u>\$ 13,923</u> | <u>\$ 9</u> | <u>\$ 184</u> | <u>\$ 2,795</u> | <u>\$ 5,207</u> |
| Total number of mutual fund shares | <u>1,423,622</u> | <u>955</u> | <u>14,742</u> | <u>224,115</u> | <u>327,250</u> |
| Cost of mutual fund shares | <u>\$ 12,112</u> | <u>\$ 8</u> | <u>\$ 182</u> | <u>\$ 2,773</u> | <u>\$ 4,729</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, 2011
(Dollars in thousands)

| | ING Russell™ Mid Cap Index Portfolio - Class I | ING Russell™ Small Cap Index Portfolio - Class I | ING Small Company Portfolio - Class I | ING Small Company Portfolio - Class S | ING U.S. Bond Index Portfolio - Class I |
|-------------------------------------|---|---|--|--|--|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 7,784 | \$ 6,728 | \$ 116,913 | \$ 184 | \$ 9,456 |
| Total assets | 7,784 | 6,728 | 116,913 | 184 | 9,456 |
| Liabilities | | | | | |
| Due to related parties | - | - | 3 | - | - |
| Total liabilities | - | - | 3 | - | - |
| Net assets | \$ 7,784 | \$ 6,728 | \$ 116,910 | \$ 184 | \$ 9,456 |
| Net assets | | | | | |
| Accumulation units | \$ 7,784 | \$ 6,728 | \$ 115,279 | \$ 184 | \$ 9,456 |
| Contracts in payout (annuitization) | - | - | 1,631 | - | - |
| Total net assets | \$ 7,784 | \$ 6,728 | \$ 116,910 | \$ 184 | \$ 9,456 |
| Total number of mutual fund shares | 698,782 | 572,112 | 6,560,785 | 10,466 | 854,181 |
| Cost of mutual fund shares | \$ 6,985 | \$ 6,622 | \$ 118,864 | \$ 167 | \$ 9,328 |

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, 2011
(Dollars in thousands)

| | ING International Value Portfolio - Class I | ING International Value Portfolio - Class S | ING MidCap Opportunities Portfolio - Class I | ING MidCap Opportunities Portfolio - Class S | ING SmallCap Opportunities Portfolio - Class I |
|--|--|--|---|---|---|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 62,018 | \$ 210 | \$ 32,604 | \$ 2,056 | \$ 21,998 |
| Total assets | 62,018 | 210 | 32,604 | 2,056 | 21,998 |
| Liabilities | | | | | |
| Due to related parties | 1 | - | 1 | - | - |
| Total liabilities | 1 | - | 1 | - | - |
| Net assets | <u>\$ 62,017</u> | <u>\$ 210</u> | <u>\$ 32,603</u> | <u>\$ 2,056</u> | <u>\$ 21,998</u> |
| Net assets | | | | | |
| Accumulation units | \$ 59,990 | \$ 210 | \$ 32,603 | \$ 2,056 | \$ 21,998 |
| Contracts in payout (annuitization) | 2,027 | - | - | - | - |
| Total net assets | <u>\$ 62,017</u> | <u>\$ 210</u> | <u>\$ 32,603</u> | <u>\$ 2,056</u> | <u>\$ 21,998</u> |
| Total number of mutual fund shares | <u>8,809,329</u> | <u>29,281</u> | <u>2,803,411</u> | <u>180,785</u> | <u>1,025,070</u> |
| Cost of mutual fund shares | <u>\$ 92,276</u> | <u>\$ 244</u> | <u>\$ 28,948</u> | <u>\$ 1,761</u> | <u>\$ 18,673</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, 2011
(Dollars in thousands)

| | ING SmallCap Opportunities Portfolio - Class S | Invesco Mid Cap Core Equity Fund - Class A | Invesco Small Cap Growth Fund - Class A | Invesco Endeavor Fund - Class A | Invesco Global Health Care Fund - Investor Class |
|--|---|---|--|--|---|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 86 | \$ 4,891 | \$ 32 | \$ - | \$ 176 |
| Total assets | 86 | 4,891 | 32 | - | 176 |
| Liabilities | | | | | |
| Due to related parties | - | - | - | - | - |
| Total liabilities | - | - | - | - | - |
| Net assets | <u>\$ 86</u> | <u>\$ 4,891</u> | <u>\$ 32</u> | <u>\$ -</u> | <u>\$ 176</u> |
| Net assets | | | | | |
| Accumulation units | \$ 86 | \$ 4,891 | \$ 32 | \$ - | \$ 176 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | <u>\$ 86</u> | <u>\$ 4,891</u> | <u>\$ 32</u> | <u>\$ -</u> | <u>\$ 176</u> |
| Total number of mutual fund shares | <u>4,136</u> | <u>232,661</u> | <u>1,149</u> | <u>9</u> | <u>6,469</u> |
| Cost of mutual fund shares | <u>\$ 73</u> | <u>\$ 5,042</u> | <u>\$ 28</u> | <u>\$ -</u> | <u>\$ 185</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, 2011
(Dollars in thousands)

| | Invesco Van Kampen Small Cap Value Fund - Class A | Invesco Van Kampen Small Cap Value Fund - Class Y | Invesco V.I. Capital Appreciation Fund - Series I Shares | Invesco V.I. Core Equity Fund - Series I Shares | Janus Aspen Series Balanced Portfolio - Institutional Shares |
|-------------------------------------|--|--|---|--|---|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 82 | \$ 8,827 | \$ 19,002 | \$ 34,791 | \$ 151 |
| Total assets | 82 | 8,827 | 19,002 | 34,791 | 151 |
| Liabilities | | | | | |
| Due to related parties | - | - | 1 | 1 | - |
| Total liabilities | - | - | 1 | 1 | - |
| Net assets | <u>\$ 82</u> | <u>\$ 8,827</u> | <u>\$ 19,001</u> | <u>\$ 34,790</u> | <u>\$ 151</u> |
| Net assets | | | | | |
| Accumulation units | \$ 82 | \$ 8,827 | \$ 18,971 | \$ 34,070 | \$ 151 |
| Contracts in payout (annuitization) | - | - | 30 | 720 | - |
| Total net assets | <u>\$ 82</u> | <u>\$ 8,827</u> | <u>\$ 19,001</u> | <u>\$ 34,790</u> | <u>\$ 151</u> |
| | | | | | |
| Total number of mutual fund shares | <u>5,284</u> | <u>564,389</u> | <u>887,117</u> | <u>1,302,052</u> | <u>5,652</u> |
| | | | | | |
| Cost of mutual fund shares | <u>\$ 93</u> | <u>\$ 10,541</u> | <u>\$ 22,185</u> | <u>\$ 32,613</u> | <u>\$ 148</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, 2011
(Dollars in thousands)

| | Janus Aspen Series Enterprise Portfolio - Institutional Shares | Janus Aspen Series Flexible Bond Portfolio - Institutional Shares | Janus Aspen Series Janus Portfolio - Institutional Shares | Janus Aspen Series Worldwide Portfolio - Institutional Shares | Lazard U.S. Mid Cap Equity Portfolio - Open Shares |
|--|---|--|--|--|---|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 322 | \$ 65 | \$ 57 | \$ 114 | \$ 3,793 |
| Total assets | 322 | 65 | 57 | 114 | 3,793 |
| Liabilities | | | | | |
| Due to related parties | - | - | - | - | - |
| Total liabilities | - | - | - | - | - |
| Net assets | <u>\$ 322</u> | <u>\$ 65</u> | <u>\$ 57</u> | <u>\$ 114</u> | <u>\$ 3,793</u> |
| Net assets | | | | | |
| Accumulation units | \$ 322 | \$ 65 | \$ 57 | \$ 114 | \$ 3,793 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | <u>\$ 322</u> | <u>\$ 65</u> | <u>\$ 57</u> | <u>\$ 114</u> | <u>\$ 3,793</u> |
| Total number of mutual fund shares | <u>8,441</u> | <u>5,321</u> | <u>2,503</u> | <u>4,408</u> | <u>323,672</u> |
| Cost of mutual fund shares | <u>\$ 295</u> | <u>\$ 63</u> | <u>\$ 58</u> | <u>\$ 124</u> | <u>\$ 3,835</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, 2011
(Dollars in thousands)

| | LKCM Aquinas Growth Fund | Loomis Sayles Small Cap Value Fund - Retail Class | Lord Abbett Developing Growth Fund, Inc. - Class A | Lord Abbett Core Fixed Income Fund - Class A | Lord Abbett Mid-Cap Value Fund, Inc. - Class A |
|-------------------------------------|-------------------------------------|--|---|---|---|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 291 | \$ 7,314 | \$ 77 | \$ 51 | \$ 1,343 |
| Total assets | 291 | 7,314 | 77 | 51 | 1,343 |
| Liabilities | | | | | |
| Due to related parties | - | - | - | - | - |
| Total liabilities | - | - | - | - | - |
| Net assets | \$ 291 | \$ 7,314 | \$ 77 | \$ 51 | \$ 1,343 |
| Net assets | | | | | |
| Accumulation units | \$ 291 | \$ 7,314 | \$ 77 | \$ 51 | \$ 1,343 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | \$ 291 | \$ 7,314 | \$ 77 | \$ 51 | \$ 1,343 |
| Total number of mutual fund shares | 17,252 | 282,406 | 3,903 | 4,645 | 85,171 |
| Cost of mutual fund shares | \$ 238 | \$ 6,650 | \$ 82 | \$ 51 | \$ 1,305 |

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, 2011
(Dollars in thousands)

| | Lord Abbett Small-Cap Value Fund - Class A | Lord Abbett Fundamental Equity Fund - Class A | Lord Abbett Series Fund - Mid-Cap Value Portfolio - Class VC | Massachusetts Investors Growth Stock Fund - Class A | Neuberger Berman Genesis Fund® - Trust Class |
|-------------------------------------|---|--|---|--|---|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 1,138 | \$ 45 | \$ 90,950 | \$ 428 | \$ 66 |
| Total assets | 1,138 | 45 | 90,950 | 428 | 66 |
| Liabilities | | | | | |
| Due to related parties | - | - | 2 | - | - |
| Total liabilities | - | - | 2 | - | - |
| Net assets | <u>\$ 1,138</u> | <u>\$ 45</u> | <u>\$ 90,948</u> | <u>\$ 428</u> | <u>\$ 66</u> |
| Net assets | | | | | |
| Accumulation units | \$ 1,138 | \$ 45 | \$ 90,028 | \$ 428 | \$ 66 |
| Contracts in payout (annuitization) | - | - | 920 | - | - |
| Total net assets | <u>\$ 1,138</u> | <u>\$ 45</u> | <u>\$ 90,948</u> | <u>\$ 428</u> | <u>\$ 66</u> |
| | | | | | |
| Total number of mutual fund shares | <u>37,945</u> | <u>3,731</u> | <u>5,734,570</u> | <u>27,878</u> | <u>1,378</u> |
| | | | | | |
| Cost of mutual fund shares | <u>\$ 974</u> | <u>\$ 49</u> | <u>\$ 105,366</u> | <u>\$ 371</u> | <u>\$ 68</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, 2011
(Dollars in thousands)

| | 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 | \$ 10,377 | \$ 3,477 | \$ 67,064 | \$ 400 | \$ 259,504 |
| Total assets | 10,377 | 3,477 | 67,064 | 400 | 259,504 |
| Liabilities | | | | | |
| Due to related parties | - | - | 2 | - | 7 |
| Total liabilities | - | - | 2 | - | 7 |
| Net assets | \$ 10,377 | \$ 3,477 | \$ 67,062 | \$ 400 | \$ 259,497 |
| Net assets | | | | | |
| Accumulation units | \$ 10,377 | \$ 3,477 | \$ 67,062 | \$ 400 | \$ 259,497 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | \$ 10,377 | \$ 3,477 | \$ 67,062 | \$ 400 | \$ 259,497 |
| Total number of mutual fund shares | 617,291 | 135,100 | 2,589,328 | 9,340 | 8,850,735 |
| Cost of mutual fund shares | \$ 9,765 | \$ 3,515 | \$ 69,451 | \$ 359 | \$ 253,363 |

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, 2011
(Dollars in thousands)

| | Oppenheimer Gold & Special Minerals Fund - Class A | Oppenheimer International Bond Fund - Class A | Oppenheimer Global Securities/VA | Oppenheimer Global Strategic Income Fund/VA | Oppenheimer Main Street Fund®/VA |
|--|---|--|---|--|---|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 7 | \$ 134 | \$ 207 | \$ 106 | \$ 65 |
| Total assets | 7 | 134 | 207 | 106 | 65 |
| Liabilities | | | | | |
| Due to related parties | - | - | - | - | - |
| Total liabilities | - | - | - | - | - |
| Net assets | \$ 7 | \$ 134 | \$ 207 | \$ 106 | \$ 65 |
| Net assets | | | | | |
| Accumulation units | \$ 7 | \$ 134 | \$ 207 | \$ 106 | \$ - |
| Contracts in payout (annuitization) | - | - | - | - | 65 |
| Total net assets | \$ 7 | \$ 134 | \$ 207 | \$ 106 | \$ 65 |
| Total number of mutual fund shares | 201 | 21,498 | 7,524 | 19,617 | 3,148 |
| Cost of mutual fund shares | \$ 10 | \$ 141 | \$ 213 | \$ 102 | \$ 69 |

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, 2011
(Dollars in thousands)

| | Oppenheimer Main Street Small- & Mid- Cap Fund®/VA | Oppenheimer Small- & Mid- Cap Growth Fund/VA | Parnassus Equity Income Fund - Investor Shares | Pax World Balanced Fund - Individual Investor Class | PIMCO Real Return Portfolio - Administrative Class |
|-------------------------------------|---|---|---|--|---|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 9,234 | \$ 11 | \$ 42 | \$ 47,487 | \$ 201,917 |
| Total assets | 9,234 | 11 | 42 | 47,487 | 201,917 |
| Liabilities | | | | | |
| Due to related parties | - | - | - | 1 | 5 |
| Total liabilities | - | - | - | 1 | 5 |
| Net assets | <u>\$ 9,234</u> | <u>\$ 11</u> | <u>\$ 42</u> | <u>\$ 47,486</u> | <u>\$ 201,912</u> |
| Net assets | | | | | |
| Accumulation units | \$ 9,234 | \$ - | \$ 42 | \$ 47,486 | \$ 201,912 |
| Contracts in payout (annuitization) | - | 11 | - | - | - |
| Total net assets | <u>\$ 9,234</u> | <u>\$ 11</u> | <u>\$ 42</u> | <u>\$ 47,486</u> | <u>\$ 201,912</u> |
| | | | | | |
| Total number of mutual fund shares | <u>537,774</u> | <u>236</u> | <u>1,595</u> | <u>2,191,375</u> | <u>14,474,349</u> |
| | | | | | |
| Cost of mutual fund shares | <u>\$ 7,650</u> | <u>\$ 13</u> | <u>\$ 38</u> | <u>\$ 50,228</u> | <u>\$ 188,249</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, 2011
(Dollars in thousands)

| | Pioneer High Yield Fund - Class A | Pioneer Strategic Income Fund - Class A | Pioneer Emerging Markets VCT Portfolio - Class I | Pioneer High Yield VCT Portfolio - Class I | Pioneer Mid Cap Value VCT Portfolio - Class I |
|--|--|--|---|---|--|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 4,359 | \$ 248 | \$ 17,672 | \$ 23,416 | \$ - |
| Total assets | 4,359 | 248 | 17,672 | 23,416 | - |
| Liabilities | | | | | |
| Due to related parties | - | - | - | 1 | - |
| Total liabilities | - | - | - | 1 | - |
| Net assets | <u>\$ 4,359</u> | <u>\$ 248</u> | <u>\$ 17,672</u> | <u>\$ 23,415</u> | <u>\$ -</u> |
| Net assets | | | | | |
| Accumulation units | \$ 4,359 | \$ 248 | \$ 17,672 | \$ 23,415 | \$ - |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | <u>\$ 4,359</u> | <u>\$ 248</u> | <u>\$ 17,672</u> | <u>\$ 23,415</u> | <u>\$ -</u> |
| Total number of mutual fund shares | <u>460,776</u> | <u>23,372</u> | <u>733,878</u> | <u>2,360,442</u> | <u>8</u> |
| Cost of mutual fund shares | <u>\$ 3,959</u> | <u>\$ 254</u> | <u>\$ 17,461</u> | <u>\$ 22,896</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, 2011
(Dollars in thousands)

| | Columbia Diversified Equity Income Fund - Class R-3 | Columbia Diversified Equity Income Fund - Class R-4 | Royce Total Return Fund - Class K | SMALLCAP World Fund® - Class R-4 | T. Rowe Price Mid-Cap Value Fund - R Class |
|-------------------------------------|--|--|--|---|---|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 68 | \$ 5,863 | \$ - | \$ 6,672 | \$ 625 |
| Total assets | 68 | 5,863 | - | 6,672 | 625 |
| Liabilities | | | | | |
| Due to related parties | - | - | - | - | - |
| Total liabilities | - | - | - | - | - |
| Net assets | <u>\$ 68</u> | <u>\$ 5,863</u> | <u>\$ -</u> | <u>\$ 6,672</u> | <u>\$ 625</u> |
| Net assets | | | | | |
| Accumulation units | \$ 68 | \$ 5,863 | \$ - | \$ 6,672 | \$ 625 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | <u>\$ 68</u> | <u>\$ 5,863</u> | <u>\$ -</u> | <u>\$ 6,672</u> | <u>\$ 625</u> |
| Total number of mutual fund shares | <u>7,238</u> | <u>621,111</u> | <u>4</u> | <u>202,474</u> | <u>29,603</u> |
| Cost of mutual fund shares | <u>\$ 66</u> | <u>\$ 5,696</u> | <u>\$ -</u> | <u>\$ 7,329</u> | <u>\$ 571</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, 2011
(Dollars in thousands)

| | T. Rowe Price Value Fund - Advisor Class | Templeton Foreign Fund - Class A | Templeton Global Bond Fund - Class A | Thornburg International Value Fund - Class R4 | USAA Precious Metals and Minerals Fund - Advisor Shares |
|--|---|---|---|--|--|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 173 | \$ 1,088 | \$ 209,392 | \$ 55 | \$ 4,823 |
| Total assets | 173 | 1,088 | 209,392 | 55 | 4,823 |
| Liabilities | | | | | |
| Due to related parties | - | - | 5 | - | - |
| Total liabilities | - | - | 5 | - | - |
| Net assets | <u>\$ 173</u> | <u>\$ 1,088</u> | <u>\$ 209,387</u> | <u>\$ 55</u> | <u>\$ 4,823</u> |
| Net assets | | | | | |
| Accumulation units | \$ 173 | \$ 1,088 | \$ 209,387 | \$ 55 | \$ 4,823 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | <u>\$ 173</u> | <u>\$ 1,088</u> | <u>\$ 209,387</u> | <u>\$ 55</u> | <u>\$ 4,823</u> |
| Total number of mutual fund shares | <u>7,743</u> | <u>183,859</u> | <u>16,872,828</u> | <u>2,306</u> | <u>156,398</u> |
| Cost of mutual fund shares | <u>\$ 157</u> | <u>\$ 1,047</u> | <u>\$ 208,150</u> | <u>\$ 64</u> | <u>\$ 6,346</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, 2011
(Dollars in thousands)

| | Diversified Value Portfolio | Equity Income Portfolio | Small Company Growth Portfolio | Victory Small Company Opportunity Fund - Class R | Wanger International |
|-------------------------------------|--|------------------------------------|---|---|---------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 82 | \$ 351 | \$ 92 | \$ 1 | \$ 24,629 |
| Total assets | 82 | 351 | 92 | 1 | 24,629 |
| Liabilities | | | | | |
| Due to related parties | - | - | - | - | 1 |
| Total liabilities | - | - | - | - | 1 |
| Net assets | <u>\$ 82</u> | <u>\$ 351</u> | <u>\$ 92</u> | <u>\$ 1</u> | <u>\$ 24,628</u> |
| Net assets | | | | | |
| Accumulation units | \$ 82 | \$ 351 | \$ 92 | \$ 1 | \$ 24,628 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | <u>\$ 82</u> | <u>\$ 351</u> | <u>\$ 92</u> | <u>\$ 1</u> | <u>\$ 24,628</u> |
| | | | | | |
| Total number of mutual fund shares | <u>6,544</u> | <u>22,053</u> | <u>5,155</u> | <u>47</u> | <u>855,464</u> |
| | | | | | |
| Cost of mutual fund shares | <u>\$ 87</u> | <u>\$ 326</u> | <u>\$ 76</u> | <u>\$ 1</u> | <u>\$ 25,923</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, 2011
(Dollars in thousands)

| | <u>Wanger Select</u> | <u>Wanger USA</u> | <u>Washington Mutual Investors FundSM, Inc. - Class R-3</u> | <u>Washington Mutual Investors FundSM, Inc. - Class R-4</u> | <u>Wells Fargo Advantage Small Cap Value Fund - Class A</u> |
|--|----------------------|----------------------|--|--|---|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 78,378 | \$ 40,135 | \$ 4,465 | \$ 87,839 | \$ 108 |
| Total assets | 78,378 | 40,135 | 4,465 | 87,839 | 108 |
| Liabilities | | | | | |
| Due to related parties | 2 | 1 | - | 2 | - |
| Total liabilities | 2 | 1 | - | 2 | - |
| Net assets | <u>\$ 78,376</u> | <u>\$ 40,134</u> | <u>\$ 4,465</u> | <u>\$ 87,837</u> | <u>\$ 108</u> |
| Net assets | | | | | |
| Accumulation units | \$ 78,376 | \$ 40,134 | \$ 4,465 | \$ 87,837 | \$ 108 |
| Contracts in payout (annuitization) | - | - | - | - | - |
| Total net assets | <u>\$ 78,376</u> | <u>\$ 40,134</u> | <u>\$ 4,465</u> | <u>\$ 87,837</u> | <u>\$ 108</u> |
| Total number of mutual fund shares | <u>3,356,665</u> | <u>1,346,818</u> | <u>158,109</u> | <u>3,103,867</u> | <u>3,679</u> |
| Cost of mutual fund shares | <u>\$ 83,302</u> | <u>\$ 40,740</u> | <u>\$ 4,275</u> | <u>\$ 90,390</u> | <u>\$ 98</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, 2011
(Dollars in thousands)

| | Wells Fargo Advantage Special Small Cap Values Fund - Class A |
|-------------------------------------|--|
| Assets | |
| Investments in mutual funds | |
| at fair value | \$ 89,068 |
| Total assets | 89,068 |
| Liabilities | |
| Due to related parties | 2 |
| Total liabilities | 2 |
| Net assets | \$ 89,066 |
| Net assets | |
| Accumulation units | \$ 89,066 |
| Contracts in payout (annuitization) | - |
| Total net assets | \$ 89,066 |
| Total number of mutual fund shares | 4,173,736 |
| Cost of mutual fund shares | \$ 93,837 |

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, 2011
(Dollars in thousands)

| | Alger Green Fund - Class A | AllianceBernstein Growth and Income Fund, Inc. - Class A | AllianceBernstein Growth and Income Portfolio - Class A | Allianz NFJ Dividend Value Fund - Class A |
|--|---------------------------------------|---|--|--|
| Net investment income (loss) | | | | |
| Income: | | | | |
| Dividends | \$ - | \$ 2 | \$ 6 | \$ 5 |
| Total investment income | - | 2 | 6 | 5 |
| Expenses: | | | | |
| Mortality, expense risk and other charges | 17 | 2 | 6 | 2 |
| Total expenses | 17 | 2 | 6 | 2 |
| Net investment income (loss) | (17) | - | - | 3 |
| Realized and unrealized gain (loss) on investments | | | | |
| Net realized gain (loss) on investments | 35 | 2 | (38) | 22 |
| Capital gains distributions | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | 35 | 2 | (38) | 22 |
| Net unrealized appreciation (depreciation) of investments | (130) | 7 | 61 | (19) |
| Net realized and unrealized gain (loss) on investments | (95) | 9 | 23 | 3 |
| Net increase (decrease) in net assets resulting from operations | \$ (112) | \$ 9 | \$ 23 | \$ 6 |

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, 2011
(Dollars in thousands)

| | Allianz NFJ Large-Cap Value Fund - Institutional Class | Allianz NFJ Small-Cap Value Fund - Class A | Amana Growth Fund | Amana Income Fund | American Balanced Fund® - Class R-3 |
|--|---|---|------------------------------|------------------------------|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 72 | \$ 6 | \$ 22 | \$ 568 | \$ 112 |
| Total investment income | 72 | 6 | 22 | 568 | 112 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | - | 4 | 235 | 326 | 40 |
| Total expenses | - | 4 | 235 | 326 | 40 |
| Net investment income (loss) | 72 | 2 | (213) | 242 | 72 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | 124 | 43 | 548 | 625 | (86) |
| Capital gains distributions | - | 12 | - | 207 | - |
| Total realized gain (loss) on investments and capital gains distributions | 124 | 55 | 548 | 832 | (86) |
| Net unrealized appreciation (depreciation) of investments | (172) | (53) | (1,216) | (707) | 181 |
| Net realized and unrealized gain (loss) on investments | (48) | 2 | (668) | 125 | 95 |
| Net increase (decrease) in net assets resulting from operations | \$ 24 | \$ 4 | \$ (881) | \$ 367 | \$ 167 |

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, 2011
(Dollars in thousands)

| | American Century Inflation- Adjusted Bond Fund - Investor Class | American Century Income & Growth Fund - A Class | American Funds American Mutual Fund® - Class R-4 | Ariel Appreciation Fund | Ariel Fund |
|--|--|--|---|--|-------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 1,225 | \$ 71 | \$ - | \$ 3 | \$ 7 |
| Total investment income | 1,225 | 71 | - | 3 | 7 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 261 | 53 | - | 8 | 35 |
| Total expenses | 261 | 53 | - | 8 | 35 |
| Net investment income (loss) | 964 | 18 | - | (5) | (28) |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | 284 | (145) | - | 16 | 400 |
| Capital gains distributions | 388 | - | - | 7 | - |
| Total realized gain (loss) on investments and capital gains distributions | 672 | (145) | - | 23 | 400 |
| Net unrealized appreciation (depreciation) of investments | 1,008 | 208 | - | (98) | (890) |
| Net realized and unrealized gain (loss) on investments | 1,680 | 63 | - | (75) | (490) |
| Net increase (decrease) in net assets resulting from operations | \$ 2,644 | \$ 81 | \$ - | \$ (80) | \$ (518) |

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, 2011
(Dollars in thousands)

| | Artisan International Fund - Investor Shares | Aston/Fairpointe Mid Cap Fund - Class N | BlackRock Equity Dividend Fund - Investor A Shares | BlackRock Mid Cap Value Opportunities Fund - Investor A Shares | The Bond Fund of AmericaSM, Inc. - Class R-4 |
|--|---|--|---|---|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 37 | \$ 10 | \$ 7 | \$ 25 | \$ 286 |
| Total investment income | 37 | 10 | 7 | 25 | 286 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 27 | 49 | 3 | 64 | 84 |
| Total expenses | 27 | 49 | 3 | 64 | 84 |
| Net investment income (loss) | 10 | (39) | 4 | (39) | 202 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | 60 | 90 | 2 | 205 | 219 |
| Capital gains distributions | - | 40 | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | 60 | 130 | 2 | 205 | 219 |
| Net unrealized appreciation (depreciation) of investments | (302) | (563) | 7 | (300) | 20 |
| Net realized and unrealized gain (loss) on investments | (242) | (433) | 9 | (95) | 239 |
| Net increase (decrease) in net assets resulting from operations | \$ (232) | \$ (472) | \$ 13 | \$ (134) | \$ 441 |

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, 2011
(Dollars in thousands)

| | Calvert VP SRI Balanced Portfolio | Capital World Growth & Income FundSM, Inc. - Class R-3 | Cohen & Steers Realty Shares | ColumbiaSM Acorn Fund® - Class A | ColumbiaSM Acorn Fund® - Class Z |
|--|--|--|---|--|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 582 | \$ 8 | \$ 7 | \$ - | \$ 29 |
| Total investment income | 582 | 8 | 7 | - | 29 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 458 | 3 | 2 | - | - |
| Total expenses | 458 | 3 | 2 | - | - |
| Net investment income (loss) | 124 | 5 | 5 | - | 29 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | 309 | 2 | (29) | - | 478 |
| Capital gains distributions | - | 2 | - | 3 | 442 |
| Total realized gain (loss) on investments and capital gains distributions | 309 | 4 | (29) | 3 | 920 |
| Net unrealized appreciation (depreciation) of investments | 1,150 | (49) | 29 | (7) | (1,575) |
| Net realized and unrealized gain (loss) on investments | 1,459 | (45) | - | (4) | (655) |
| Net increase (decrease) in net assets resulting from operations | \$ 1,583 | \$ (40) | \$ 5 | \$ (4) | \$ (626) |

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, 2011
(Dollars in thousands)

| | Columbia Mid Cap Value Fund - Class A | Columbia Mid Cap Value Fund - Class Z | CRM Mid Cap Value Fund - Investor Shares | Dodge & Cox International Stock Fund | Dodge & Cox Stock Fund |
|--|--|--|---|---|---------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 22 | \$ 42 | \$ 1 | \$ 3 | \$ - |
| Total investment income | 22 | 42 | 1 | 3 | - |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 38 | - | 2 | 1 | - |
| Total expenses | 38 | - | 2 | 1 | - |
| Net investment income (loss) | (16) | 42 | (1) | 2 | - |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | 307 | 227 | 5 | - | - |
| Capital gains distributions | - | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | 307 | 227 | 5 | - | - |
| Net unrealized appreciation (depreciation) of investments | (513) | (489) | (23) | (8) | (2) |
| Net realized and unrealized gain (loss) on investments | (206) | (262) | (18) | (8) | (2) |
| Net increase (decrease) in net assets resulting from operations | <u>\$ (222)</u> | <u>\$ (220)</u> | <u>\$ (19)</u> | <u>\$ (6)</u> | <u>\$ (2)</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, 2011
(Dollars in thousands)

| | DWS Equity 500 Index Fund - Class S | Eaton Vance Large-Cap Value Fund - Class R | EuroPacific Growth Fund® - Class R-3 | EuroPacific Growth Fund® - Class R-4 | Fidelity® Advisor New Insights Fund - Institutional Class |
|--|--|---|---|---|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 7 | \$ 1 | \$ 134 | \$ 3,975 | \$ - |
| Total investment income | 7 | 1 | 134 | 3,975 | - |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 4 | - | 58 | 2,372 | 2 |
| Total expenses | 4 | - | 58 | 2,372 | 2 |
| Net investment income (loss) | 3 | 1 | 76 | 1,603 | (2) |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | - | - | (629) | (1,333) | 3 |
| Capital gains distributions | - | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | - | - | (629) | (1,333) | 3 |
| Net unrealized appreciation (depreciation) of investments | (1) | (3) | (1,115) | (40,362) | (10) |
| Net realized and unrealized gain (loss) on investments | (1) | (3) | (1,744) | (41,695) | (7) |
| Net increase (decrease) in net assets resulting from operations | \$ 2 | \$ (2) | \$ (1,668) | \$ (40,092) | \$ (9) |

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, 2011
(Dollars in thousands)

| | 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® VIP Contrafund® Portfolio - Initial Class |
|--|--|---|--|---|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 6,663 | \$ 832 | \$ 669 | \$ 464 | \$ 10,573 |
| Total investment income | 6,663 | 832 | 669 | 464 | 10,573 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 2,623 | 2,238 | 99 | 323 | 9,485 |
| Total expenses | 2,623 | 2,238 | 99 | 323 | 9,485 |
| Net investment income (loss) | 4,040 | (1,406) | 570 | 141 | 1,088 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (1,850) | (1,592) | 661 | (1,882) | 18,147 |
| Capital gains distributions | - | 782 | - | 65 | - |
| Total realized gain (loss) on investments and capital gains distributions | (1,850) | (810) | 661 | (1,817) | 18,147 |
| Net unrealized appreciation (depreciation) of investments | (1,848) | 590 | (938) | (4,674) | (53,776) |
| Net realized and unrealized gain (loss) on investments | (3,698) | (220) | (277) | (6,491) | (35,629) |
| Net increase (decrease) in net assets resulting from operations | \$ 342 | \$ (1,626) | \$ 293 | \$ (6,350) | \$ (34,541) |

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, 2011
(Dollars in thousands)

| | Fidelity® VIP Index 500 Portfolio - Initial Class | Fidelity® VIP Mid Cap Portfolio - Initial Class | Fidelity® VIP Asset ManagerSM Portfolio - Initial Class | Mutual Global Discovery Fund - Class R | Franklin Small- Mid Cap Growth Fund - Class A |
|--|--|--|---|---|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 2,070 | \$ 51 | \$ 431 | \$ 42 | \$ - |
| Total investment income | 2,070 | 51 | 431 | 42 | - |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 1,056 | - | 216 | 21 | 6 |
| Total expenses | 1,056 | - | 216 | 21 | 6 |
| Net investment income (loss) | 1,014 | 51 | 215 | 21 | (6) |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | 445 | (165) | 55 | (182) | 6 |
| Capital gains distributions | 2,473 | 34 | 105 | 67 | 31 |
| Total realized gain (loss) on investments and capital gains distributions | 2,918 | (131) | 160 | (115) | 37 |
| Net unrealized appreciation (depreciation) of investments | (2,840) | (2,083) | (1,133) | (56) | (68) |
| Net realized and unrealized gain (loss) on investments | 78 | (2,214) | (973) | (171) | (31) |
| Net increase (decrease) in net assets resulting from operations | \$ 1,092 | \$ (2,163) | \$ (758) | \$ (150) | \$ (37) |

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, 2011
(Dollars in thousands)

| | Franklin Small Cap Value Securities Fund - Class 2 | Fundamental InvestorsSM, Inc. - Class R-3 | Fundamental InvestorsSM, Inc. - Class R-4 | The Growth Fund of America® - Class R-3 | The Growth Fund of America® - Class R-4 |
|--|---|---|---|--|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 806 | \$ 14 | \$ 549 | \$ 54 | \$ 1,881 |
| Total investment income | 806 | 14 | 549 | 54 | 1,881 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 992 | 6 | 304 | 101 | 2,700 |
| Total expenses | 992 | 6 | 304 | 101 | 2,700 |
| Net investment income (loss) | (186) | 8 | 245 | (47) | (819) |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (1,827) | 19 | 698 | (448) | 3,976 |
| Capital gains distributions | - | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | (1,827) | 19 | 698 | (448) | 3,976 |
| Net unrealized appreciation (depreciation) of investments | (3,581) | (53) | (1,960) | (440) | (20,172) |
| Net realized and unrealized gain (loss) on investments | (5,408) | (34) | (1,262) | (888) | (16,196) |
| Net increase (decrease) in net assets resulting from operations | \$ (5,594) | \$ (26) | \$ (1,017) | \$ (935) | \$ (17,015) |

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, 2011
(Dollars in thousands)

| | The Hartford Capital Appreciation Fund - Class R4 | The Hartford Dividend And Growth Fund - Class R4 | The Income Fund of America® - Class R-3 | ING Balanced Portfolio - Class I | ING Real Estate Fund - Class A |
|--|--|---|--|---|---|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 3 | \$ - | \$ 74 | \$ 9,017 | \$ 40 |
| Total investment income | 3 | - | 74 | 9,017 | 40 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 1 | - | 14 | 3,523 | 11 |
| Total expenses | 1 | - | 14 | 3,523 | 11 |
| Net investment income (loss) | 2 | - | 60 | 5,494 | 29 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (11) | 4 | (28) | (5,218) | (24) |
| Capital gains distributions | - | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | (11) | 4 | (28) | (5,218) | (24) |
| Net unrealized appreciation (depreciation) of investments | (37) | (1) | 58 | (7,468) | 188 |
| Net realized and unrealized gain (loss) on investments | (48) | 3 | 30 | (12,686) | 164 |
| Net increase (decrease) in net assets resulting from operations | <u>\$ (46)</u> | <u>\$ 3</u> | <u>\$ 90</u> | <u>\$ (7,192)</u> | <u>\$ 193</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, 2011
(Dollars in thousands)

| | ING Value Choice Fund - Class A | ING GNMA Income Fund - Class A | ING Intermediate Bond Fund - Class A | ING Intermediate Bond Portfolio - Class I | ING Intermediate Bond Portfolio - Class S |
|--|--|---|---|--|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ - | \$ 185 | \$ 157 | \$ 17,238 | \$ 39 |
| Total investment income | - | 185 | 157 | 17,238 | 39 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | - | 34 | 21 | 3,492 | 2 |
| Total expenses | - | 34 | 21 | 3,492 | 2 |
| Net investment income (loss) | - | 151 | 136 | 13,746 | 37 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | - | 51 | (75) | (5,443) | (1) |
| Capital gains distributions | - | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | - | 51 | (75) | (5,443) | (1) |
| Net unrealized appreciation (depreciation) of investments | - | 93 | 183 | 15,698 | 4 |
| Net realized and unrealized gain (loss) on investments | - | 144 | 108 | 10,255 | 3 |
| Net increase (decrease) in net assets resulting from operations | \$ - | \$ 295 | \$ 244 | \$ 24,001 | \$ 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, 2011
(Dollars in thousands)

| | ING Artio Foreign Portfolio - Service Class | ING BlackRock Health Sciences Opportunities Portfolio - Service Class | ING BlackRock Inflation Protected Bond Portfolio - Adviser Class | ING BlackRock Large Cap Growth Portfolio - Institutional Class | ING BlackRock Large Cap Growth Portfolio - Service Class |
|--|--|--|---|---|---|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 510 | \$ 62 | \$ - | \$ 521 | \$ 2 |
| Total investment income | 510 | 62 | - | 521 | 2 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 276 | 94 | - | 897 | 2 |
| Total expenses | 276 | 94 | - | 897 | 2 |
| Net investment income (loss) | 234 | (32) | - | (376) | - |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (4,044) | (154) | - | (3,154) | 15 |
| Capital gains distributions | - | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | (4,044) | (154) | - | (3,154) | 15 |
| Net unrealized appreciation (depreciation) of investments | (2,699) | 371 | - | 1,013 | (63) |
| Net realized and unrealized gain (loss) on investments | (6,743) | 217 | - | (2,141) | (48) |
| Net increase (decrease) in net assets resulting from operations | \$ (6,509) | \$ 185 | \$ - | \$ (2,517) | \$ (48) |

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, 2011
(Dollars in thousands)

| | ING BlackRock Large Cap Growth Portfolio - Service 2 Class | ING Clarion Global Real Estate Portfolio - Adviser Class | ING Clarion Global Real Estate Portfolio - Institutional Class | ING Clarion Real Estate Portfolio - Adviser Class | ING Clarion Real Estate Portfolio - Institutional Class |
|--|---|---|---|--|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 1 | \$ - | \$ 2,206 | \$ - | \$ 49 |
| Total investment income | 1 | - | 2,206 | - | 49 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 1 | - | 538 | - | 24 |
| Total expenses | 1 | - | 538 | - | 24 |
| Net investment income (loss) | - | - | 1,668 | - | 25 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | 17 | - | (638) | - | 8 |
| Capital gains distributions | - | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | 17 | - | (638) | - | 8 |
| Net unrealized appreciation (depreciation) of investments | (22) | - | (4,725) | 1 | (32) |
| Net realized and unrealized gain (loss) on investments | (5) | - | (5,363) | 1 | (24) |
| Net increase (decrease) in net assets resulting from operations | \$ (5) | \$ - | \$ (3,695) | \$ 1 | \$ 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, 2011
(Dollars in thousands)

| | ING Clarion Real Estate Portfolio - Service Class | ING Core Growth and Income Portfolio - Service Class | ING FMRSM Diversified Mid Cap Portfolio - Service Class | ING FMRSM Diversified Mid Cap Portfolio - Service 2 Class | ING Global Resources Portfolio - Adviser Class |
|--|--|---|---|---|---|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 595 | \$ 288 | \$ 130 | \$ - | \$ - |
| Total investment income | 595 | 288 | 130 | - | - |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 377 | 117 | 557 | - | - |
| Total expenses | 377 | 117 | 557 | - | - |
| Net investment income (loss) | 218 | 171 | (427) | - | - |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (2,248) | 633 | 560 | - | - |
| Capital gains distributions | - | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | (2,248) | 633 | 560 | - | - |
| Net unrealized appreciation (depreciation) of investments | 5,563 | (2,702) | (8,253) | (2) | - |
| Net realized and unrealized gain (loss) on investments | 3,315 | (2,069) | (7,693) | (2) | - |
| Net increase (decrease) in net assets resulting from operations | \$ 3,533 | \$ (1,898) | \$ (8,120) | \$ (2) | \$ - |

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, 2011
(Dollars in thousands)

| | ING Global Resources Portfolio - Institutional Class | ING Global Resources Portfolio - Service Class | ING Invesco Van Kampen Growth and Income 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 | \$ - | \$ 764 | \$ 253 | \$ 3 | \$ 382 |
| Total investment income | - | 764 | 253 | 3 | 382 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | - | 1,350 | 177 | 1 | 336 |
| Total expenses | - | 1,350 | 177 | 1 | 336 |
| Net investment income (loss) | - | (586) | 76 | 2 | 46 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | - | (2,422) | (1,313) | 9 | (966) |
| Capital gains distributions | - | - | - | 11 | 1,127 |
| Total realized gain (loss) on investments and capital gains distributions | - | (2,422) | (1,313) | 20 | 161 |
| Net unrealized appreciation (depreciation) of investments | (3) | (11,822) | 746 | (91) | (7,213) |
| Net realized and unrealized gain (loss) on investments | (3) | (14,244) | (567) | (71) | (7,052) |
| Net increase (decrease) in net assets resulting from operations | \$ (3) | \$ (14,830) | \$ (491) | \$ (69) | \$ (7,006) |

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, 2011
(Dollars in thousands)

| | ING JPMorgan Emerging Markets Equity Portfolio - Service Class | ING JPMorgan Small Cap Core Equity Portfolio - Adviser Class | ING JPMorgan Small Cap Core Equity Portfolio - Service Class | ING Large Cap Growth Portfolio - Adviser Class | ING Large Cap Growth Portfolio - Institutional Class |
|--|---|---|---|---|---|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 239 | \$ - | \$ 28 | \$ - | \$ 380 |
| Total investment income | 239 | - | 28 | - | 380 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 289 | - | 61 | - | 1,179 |
| Total expenses | 289 | - | 61 | - | 1,179 |
| Net investment income (loss) | (50) | - | (33) | - | (799) |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (1,540) | - | 87 | (1) | 11 |
| Capital gains distributions | 929 | - | - | 8 | 8,056 |
| Total realized gain (loss) on investments and capital gains distributions | (611) | - | 87 | 7 | 8,067 |
| Net unrealized appreciation (depreciation) of investments | (5,305) | 1 | (223) | (7) | (6,976) |
| Net realized and unrealized gain (loss) on investments | (5,916) | 1 | (136) | - | 1,091 |
| Net increase (decrease) in net assets resulting from operations | \$ (5,966) | \$ 1 | \$ (169) | \$ - | \$ 292 |

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, 2011
(Dollars in thousands)

| | ING Large Cap Growth Portfolio - Service Class | ING Large Cap Value Portfolio - Institutional Class | ING Large Cap Value Portfolio - Service Class | ING Lord Abbett Growth and Income Portfolio - Institutional Class | ING Lord Abbett Growth and Income Portfolio - Service Class |
|--|---|--|--|--|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 2 | \$ 2,233 | \$ 8 | \$ 227 | \$ - |
| Total investment income | 2 | 2,233 | 8 | 227 | - |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 5 | 1,972 | 4 | 48 | - |
| Total expenses | 5 | 1,972 | 4 | 48 | - |
| Net investment income (loss) | (3) | 261 | 4 | 179 | - |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | 327 | (4,607) | (2) | (15,224) | (61) |
| Capital gains distributions | 70 | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | 397 | (4,607) | (2) | (15,224) | (61) |
| Net unrealized appreciation (depreciation) of investments | (374) | 8,059 | 4 | 17,088 | 81 |
| Net realized and unrealized gain (loss) on investments | 23 | 3,452 | 2 | 1,864 | 20 |
| Net increase (decrease) in net assets resulting from operations | \$ 20 | \$ 3,713 | \$ 6 | \$ 2,043 | \$ 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, 2011
(Dollars in thousands)

| | ING Marsico Growth Portfolio - Institutional Class | ING Marsico Growth 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 | \$ 46 | \$ 1 | \$ 28 | \$ 1,559 | \$ 617 |
| Total investment income | 46 | 1 | 28 | 1,559 | 617 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 90 | 3 | 4 | 573 | 265 |
| Total expenses | 90 | 3 | 4 | 573 | 265 |
| Net investment income (loss) | (44) | (2) | 24 | 986 | 352 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (27) | 10 | (22) | (1,658) | (606) |
| Capital gains distributions | - | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | (27) | 10 | (22) | (1,658) | (606) |
| Net unrealized appreciation (depreciation) of investments | (157) | (20) | 4 | 1,199 | 399 |
| Net realized and unrealized gain (loss) on investments | (184) | (10) | (18) | (459) | (207) |
| Net increase (decrease) in net assets resulting from operations | \$ (228) | \$ (12) | \$ 6 | \$ 527 | \$ 145 |

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, 2011
(Dollars in thousands)

| | ING MFS Utilities Portfolio - Service Class | ING Morgan Stanley Global Franchise Portfolio - Adviser Class | ING PIMCO High Yield Portfolio - Adviser Class | ING PIMCO High Yield Portfolio - Institutional Class | ING PIMCO High Yield Portfolio - Service Class |
|--|--|--|---|---|---|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 1,465 | \$ - | \$ 1 | \$ 667 | \$ 1,558 |
| Total investment income | 1,465 | - | 1 | 667 | 1,558 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 389 | - | - | 87 | 195 |
| Total expenses | 389 | - | - | 87 | 195 |
| Net investment income (loss) | 1,076 | - | 1 | 580 | 1,363 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (916) | - | - | 129 | 1,382 |
| Capital gains distributions | - | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | (916) | - | - | 129 | 1,382 |
| Net unrealized appreciation (depreciation) of investments | 1,806 | 1 | - | (438) | (2,027) |
| Net realized and unrealized gain (loss) on investments | 890 | 1 | - | (309) | (645) |
| Net increase (decrease) in net assets resulting from operations | \$ 1,966 | \$ 1 | \$ 1 | \$ 271 | \$ 718 |

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, 2011
(Dollars in thousands)

| | ING Pioneer Fund Portfolio - Institutional Class | ING Pioneer Fund Portfolio - Service Class | ING Pioneer Mid Cap Value Portfolio - Institutional Class | ING Pioneer Mid Cap Value Portfolio - Service Class | ING T. Rowe Price Capital Appreciation Portfolio - Adviser Class |
|--|---|---|--|--|---|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 337 | \$ 4 | \$ 1,343 | \$ 5 | \$ 2 |
| Total investment income | 337 | 4 | 1,343 | 5 | 2 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 151 | 3 | 795 | 3 | - |
| Total expenses | 151 | 3 | 795 | 3 | - |
| Net investment income (loss) | 186 | 1 | 548 | 2 | 2 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (427) | 50 | (2,171) | 4 | (2) |
| Capital gains distributions | - | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | (427) | 50 | (2,171) | 4 | (2) |
| Net unrealized appreciation (depreciation) of investments | (844) | (90) | (3,502) | (34) | (5) |
| Net realized and unrealized gain (loss) on investments | (1,271) | (40) | (5,673) | (30) | (7) |
| Net increase (decrease) in net assets resulting from operations | \$ (1,085) | \$ (39) | \$ (5,125) | \$ (28) | \$ (5) |

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, 2011
(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 T. Rowe Price International Stock Portfolio - Adviser Class | ING T. Rowe Price International Stock Portfolio - Service Class |
|--|---|--|--|--|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 7,384 | \$ 26 | \$ 2,032 | \$ 3 | \$ 272 |
| Total investment income | 7,384 | 26 | 2,032 | 3 | 272 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 3,296 | 5 | 785 | - | 75 |
| Total expenses | 3,296 | 5 | 785 | - | 75 |
| Net investment income (loss) | 4,088 | 21 | 1,247 | 3 | 197 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (1,771) | (43) | (2,334) | - | (539) |
| Capital gains distributions | - | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | (1,771) | (43) | (2,334) | - | (539) |
| Net unrealized appreciation (depreciation) of investments | 4,615 | (5) | (563) | (16) | (697) |
| Net realized and unrealized gain (loss) on investments | 2,844 | (48) | (2,897) | (16) | (1,236) |
| Net increase (decrease) in net assets resulting from operations | \$ 6,932 | \$ (27) | \$ (1,650) | \$ (13) | \$ (1,039) |

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, 2011
(Dollars in thousands)

| | ING Templeton Global Growth Portfolio - Institutional Class | ING Templeton Global Growth Portfolio - Service Class | ING U.S. Stock Index Portfolio - Institutional Class | ING Money Market Portfolio - Class I | ING Global Real Estate Fund - Class A |
|--|--|--|---|---|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 13 | \$ 68 | \$ 136 | \$ 3 | \$ 2 |
| Total investment income | 13 | 68 | 136 | 3 | 2 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 6 | 42 | 8 | 2,705 | - |
| Total expenses | 6 | 42 | 8 | 2,705 | - |
| Net investment income (loss) | 7 | 26 | 128 | (2,702) | 2 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (39) | (194) | (47) | - | - |
| Capital gains distributions | - | - | 309 | 57 | - |
| Total realized gain (loss) on investments and capital gains distributions | (39) | (194) | 262 | 57 | - |
| Net unrealized appreciation (depreciation) of investments | (15) | (177) | (303) | - | (6) |
| Net realized and unrealized gain (loss) on investments | (54) | (371) | (41) | 57 | (6) |
| Net increase (decrease) in net assets resulting from operations | \$ (47) | \$ (345) | \$ 87 | \$ (2,645) | \$ (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, 2011
(Dollars in thousands)

| | ING International Capital Appreciation Fund - Class I | ING International SmallCap Multi-Manager Fund - Class A | ING American Century Small- Mid Cap Value Portfolio - Adviser Class | ING American Century Small- Mid Cap Value Portfolio - Initial Class | ING American Century Small- Mid Cap Value Portfolio - Service Class |
|--|--|--|--|--|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ - | \$ 20 | \$ 1 | \$ - | \$ 491 |
| Total investment income | - | 20 | 1 | - | 491 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | - | 3 | - | - | 344 |
| Total expenses | - | 3 | - | - | 344 |
| Net investment income (loss) | - | 17 | 1 | - | 147 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | 2 | (116) | 1 | - | (252) |
| Capital gains distributions | - | - | - | - | 4 |
| Total realized gain (loss) on investments and capital gains distributions | 2 | (116) | 1 | - | (248) |
| Net unrealized appreciation (depreciation) of investments | (2) | (150) | (7) | - | (1,622) |
| Net realized and unrealized gain (loss) on investments | - | (266) | (6) | - | (1,870) |
| Net increase (decrease) in net assets resulting from operations | \$ - | \$ (249) | \$ (5) | \$ - | \$ (1,723) |

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, 2011
(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 - Adviser Class | ING Columbia Small Cap Value II Portfolio - Service Class | ING Davis New York Venture Portfolio - Service Class |
|--|---|---|--|--|---|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ - | \$ - | \$ 1 | \$ 14 | \$ 130 |
| Total investment income | - | - | 1 | 14 | 130 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 4 | 1,037 | 1 | 31 | 125 |
| Total expenses | 4 | 1,037 | 1 | 31 | 125 |
| Net investment income (loss) | (4) | (1,037) | - | (17) | 5 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | 15 | 3,341 | 11 | 362 | (365) |
| Capital gains distributions | - | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | 15 | 3,341 | 11 | 362 | (365) |
| Net unrealized appreciation (depreciation) of investments | 5 | (906) | (32) | (528) | (397) |
| Net realized and unrealized gain (loss) on investments | 20 | 2,435 | (21) | (166) | (762) |
| Net increase (decrease) in net assets resulting from operations | \$ 16 | \$ 1,398 | \$ (21) | \$ (183) | \$ (757) |

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, 2011
(Dollars in thousands)

| | ING Fidelity® VIP Mid Cap Portfolio - Service Class | ING Global Bond Portfolio - Adviser Class | ING Global Bond Portfolio - Initial Class | ING Global Bond Portfolio - Service Class | ING Index Solution 2015 Portfolio - Initial Class |
|--|--|--|--|--|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 19 | \$ 33 | \$ 11,754 | \$ 107 | \$ - |
| Total investment income | 19 | 33 | 11,754 | 107 | - |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 63 | 2 | 1,462 | 7 | - |
| Total expenses | 63 | 2 | 1,462 | 7 | - |
| Net investment income (loss) | (44) | 31 | 10,292 | 100 | - |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (520) | 14 | 3,762 | 119 | - |
| Capital gains distributions | - | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | (520) | 14 | 3,762 | 119 | - |
| Net unrealized appreciation (depreciation) of investments | (891) | (33) | (9,911) | (194) | - |
| Net realized and unrealized gain (loss) on investments | (1,411) | (19) | (6,149) | (75) | - |
| Net increase (decrease) in net assets resulting from operations | \$ (1,455) | \$ 12 | \$ 4,143 | \$ 25 | \$ - |

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, 2011
(Dollars in thousands)

| | ING Index Solution 2015 Portfolio - Service Class | ING Index Solution 2015 Portfolio - Service 2 Class | ING Index Solution 2025 Portfolio - Initial Class | ING Index Solution 2025 Portfolio - Service Class | ING Index Solution 2025 Portfolio - Service 2 Class |
|--|--|--|--|--|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 3 | \$ 17 | \$ - | \$ 2 | \$ 33 |
| Total investment income | 3 | 17 | - | 2 | 33 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 1 | 7 | - | - | 16 |
| Total expenses | 1 | 7 | - | - | 16 |
| Net investment income (loss) | 2 | 10 | - | 2 | 17 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | - | (2) | - | (7) | 2 |
| Capital gains distributions | 5 | 30 | - | 5 | 88 |
| Total realized gain (loss) on investments and capital gains distributions | 5 | 28 | - | (2) | 90 |
| Net unrealized appreciation (depreciation) of investments | 5 | (42) | 2 | (5) | (170) |
| Net realized and unrealized gain (loss) on investments | 10 | (14) | 2 | (7) | (80) |
| Net increase (decrease) in net assets resulting from operations | \$ 12 | \$ (4) | \$ 2 | \$ (5) | \$ (63) |

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, 2011
(Dollars in thousands)

| | ING Index Solution 2035 Portfolio - Initial Class | ING Index Solution 2035 Portfolio - Service Class | ING Index Solution 2035 Portfolio - Service 2 Class | ING Index Solution 2045 Portfolio - Initial Class | ING Index Solution 2045 Portfolio - Service Class |
|--|--|--|--|--|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ - | \$ 1 | \$ 21 | \$ - | \$ - |
| Total investment income | - | 1 | 21 | - | - |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | - | - | 12 | - | - |
| Total expenses | - | - | 12 | - | - |
| Net investment income (loss) | - | 1 | 9 | - | - |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | - | 4 | 4 | - | - |
| Capital gains distributions | - | 3 | 63 | - | 1 |
| Total realized gain (loss) on investments and capital gains distributions | - | 7 | 67 | - | 1 |
| Net unrealized appreciation (depreciation) of investments | 1 | (10) | (151) | - | (2) |
| Net realized and unrealized gain (loss) on investments | 1 | (3) | (84) | - | (1) |
| Net increase (decrease) in net assets resulting from operations | \$ 1 | \$ (2) | \$ (75) | \$ - | \$ (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, 2011
(Dollars in thousands)

| | ING Index Solution 2045 Portfolio - Service 2 Class | ING Index Solution 2055 Portfolio - Initial Class | ING Index Solution 2055 Portfolio - Service Class | ING Index Solution 2055 Portfolio - Service 2 Class | ING Index Solution Income Portfolio - Service Class |
|--|--|--|--|--|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 9 | \$ - | \$ - | \$ - | \$ - |
| Total investment income | 9 | - | - | - | - |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 6 | - | - | - | - |
| Total expenses | 6 | - | - | - | - |
| Net investment income (loss) | 3 | - | - | - | - |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | 1 | - | (1) | - | (1) |
| Capital gains distributions | 30 | - | 1 | - | - |
| Total realized gain (loss) on investments and capital gains distributions | 31 | - | - | - | (1) |
| Net unrealized appreciation (depreciation) of investments | (84) | - | (2) | (4) | 1 |
| Net realized and unrealized gain (loss) on investments | (53) | - | (2) | (4) | - |
| Net increase (decrease) in net assets resulting from operations | \$ (50) | \$ - | \$ (2) | \$ (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, 2011
(Dollars in thousands)

| | ING Index Solution Income Portfolio - Service 2 Class | ING Invesco Van Kampen Comstock Portfolio - Adviser Class | ING Invesco Van Kampen Comstock Portfolio - Service Class | ING Invesco Van Kampen Equity and Income Portfolio - Adviser Class | ING Invesco Van Kampen Equity and Income Portfolio - Initial Class |
|--|--|--|--|---|---|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 5 | \$ 4 | \$ 682 | \$ 12 | \$ 5,342 |
| Total investment income | 5 | 4 | 682 | 12 | 5,342 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 2 | 1 | 496 | 2 | 2,295 |
| Total expenses | 2 | 1 | 496 | 2 | 2,295 |
| Net investment income (loss) | 3 | 3 | 186 | 10 | 3,047 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | - | (6) | (1,187) | (4) | 1,008 |
| Capital gains distributions | 5 | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | 5 | (6) | (1,187) | (4) | 1,008 |
| Net unrealized appreciation (depreciation) of investments | (6) | (6) | (596) | (27) | (8,770) |
| Net realized and unrealized gain (loss) on investments | (1) | (12) | (1,783) | (31) | (7,762) |
| Net increase (decrease) in net assets resulting from operations | \$ 2 | \$ (9) | \$ (1,597) | \$ (21) | \$ (4,715) |

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, 2011
(Dollars in thousands)

| | ING Invesco Van Kampen Equity and Income Portfolio - Service Class | ING JPMorgan Mid Cap Value Portfolio - Adviser Class | ING JPMorgan Mid Cap Value Portfolio - Service Class | ING Legg Mason ClearBridge Aggressive Growth Portfolio - Adviser Class | ING Legg Mason ClearBridge Aggressive Growth Portfolio - Initial Class |
|--|---|---|---|---|---|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 5 | \$ 2 | \$ 257 | \$ - | \$ 414 |
| Total investment income | 5 | 2 | 257 | - | 414 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 2 | 1 | 303 | - | 71 |
| Total expenses | 2 | 1 | 303 | - | 71 |
| Net investment income (loss) | 3 | 1 | (46) | - | 343 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | - | (3) | (126) | 12 | 251 |
| Capital gains distributions | - | - | - | 23 | 28,126 |
| Total realized gain (loss) on investments and capital gains distributions | - | (3) | (126) | 35 | 28,377 |
| Net unrealized appreciation (depreciation) of investments | (6) | 10 | 404 | (33) | (26,928) |
| Net realized and unrealized gain (loss) on investments | (6) | 7 | 278 | 2 | 1,449 |
| Net increase (decrease) in net assets resulting from operations | \$ (3) | \$ 8 | \$ 232 | \$ 2 | \$ 1,792 |

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, 2011
(Dollars in thousands)

| | ING Legg Mason ClearBridge Aggressive Growth Portfolio - Service Class | ING Oppenheimer Global Portfolio - Adviser Class | ING Oppenheimer Global Portfolio - Initial Class | ING Oppenheimer Global Portfolio - Service Class | ING PIMCO Total Return Portfolio - Adviser Class |
|--|---|---|---|---|---|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ - | \$ 6 | \$ 8,275 | \$ 9 | \$ 66 |
| Total investment income | - | 6 | 8,275 | 9 | 66 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | - | 2 | 5,531 | 7 | 8 |
| Total expenses | - | 2 | 5,531 | 7 | 8 |
| Net investment income (loss) | - | 4 | 2,744 | 2 | 58 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (17) | (1) | 6,978 | (18) | 42 |
| Capital gains distributions | 53 | - | - | - | 80 |
| Total realized gain (loss) on investments and capital gains distributions | 36 | (1) | 6,978 | (18) | 122 |
| Net unrealized appreciation (depreciation) of investments | (33) | (55) | (59,637) | (50) | (125) |
| Net realized and unrealized gain (loss) on investments | 3 | (56) | (52,659) | (68) | (3) |
| Net increase (decrease) in net assets resulting from operations | \$ 3 | \$ (52) | \$ (49,915) | \$ (66) | \$ 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, 2011
(Dollars in thousands)

| | ING PIMCO Total Return Portfolio - Initial 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 |
|--|---|---|---|---|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ - | \$ 6,735 | \$ 1,145 | \$ 21 | \$ 19 |
| Total investment income | - | 6,735 | 1,145 | 21 | 19 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | - | 2,107 | 184 | 4 | 2 |
| Total expenses | - | 2,107 | 184 | 4 | 2 |
| Net investment income (loss) | - | 4,628 | 961 | 17 | 17 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | - | 1,549 | 1,559 | 21 | 1 |
| Capital gains distributions | - | 7,721 | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | - | 9,270 | 1,559 | 21 | 1 |
| Net unrealized appreciation (depreciation) of investments | 1 | (8,822) | (3,116) | (47) | (18) |
| Net realized and unrealized gain (loss) on investments | 1 | 448 | (1,557) | (26) | (17) |
| Net increase (decrease) in net assets resulting from operations | \$ 1 | \$ 5,076 | \$ (596) | \$ (9) | \$ - |

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, 2011
(Dollars in thousands)

| | ING Solution 2015 Portfolio - Service Class | ING Solution 2015 Portfolio - Service 2 Class | ING Solution 2025 Portfolio - Adviser Class | ING Solution 2025 Portfolio - Service Class | ING Solution 2025 Portfolio - Service 2 Class |
|--|--|--|--|--|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 1,921 | \$ 475 | \$ 7 | \$ 1,946 | \$ 443 |
| Total investment income | 1,921 | 475 | 7 | 1,946 | 443 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 511 | 79 | 1 | 753 | 109 |
| Total expenses | 511 | 79 | 1 | 753 | 109 |
| Net investment income (loss) | 1,410 | 396 | 6 | 1,193 | 334 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (826) | 39 | 3 | (733) | 31 |
| Capital gains distributions | - | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | (826) | 39 | 3 | (733) | 31 |
| Net unrealized appreciation (depreciation) of investments | (1,509) | (645) | (22) | (4,269) | (1,199) |
| Net realized and unrealized gain (loss) on investments | (2,335) | (606) | (19) | (5,002) | (1,168) |
| Net increase (decrease) in net assets resulting from operations | \$ (925) | \$ (210) | \$ (13) | \$ (3,809) | \$ (834) |

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, 2011
(Dollars in thousands)

| | ING Solution 2035 Portfolio - Adviser Class | ING Solution 2035 Portfolio - Service Class | ING Solution 2035 Portfolio - Service 2 Class | ING Solution 2045 Portfolio - Adviser Class | ING Solution 2045 Portfolio - Service Class |
|--|--|--|--|--|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 4 | \$ 1,180 | \$ 282 | \$ 1 | \$ 645 |
| Total investment income | 4 | 1,180 | 282 | 1 | 645 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 1 | 597 | 96 | - | 442 |
| Total expenses | 1 | 597 | 96 | - | 442 |
| Net investment income (loss) | 3 | 583 | 186 | 1 | 203 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | 17 | (623) | 60 | (1) | (452) |
| Capital gains distributions | - | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | 17 | (623) | 60 | (1) | (452) |
| Net unrealized appreciation (depreciation) of investments | (32) | (4,132) | (1,232) | (12) | (3,077) |
| Net realized and unrealized gain (loss) on investments | (15) | (4,755) | (1,172) | (13) | (3,529) |
| Net increase (decrease) in net assets resulting from operations | \$ (12) | \$ (4,172) | \$ (986) | \$ (12) | \$ (3,326) |

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, 2011
(Dollars in thousands)

| | ING Solution 2045 Portfolio - Service 2 Class | ING Solution 2055 Portfolio - Service Class | ING Solution 2055 Portfolio - Service 2 Class | ING Solution Growth Portfolio - Service Class | ING Solution Income Portfolio - Adviser Class |
|--|--|--|--|--|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 170 | \$ 3 | \$ 1 | \$ 5 | \$ 13 |
| Total investment income | 170 | 3 | 1 | 5 | 13 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 63 | 7 | 1 | 15 | 2 |
| Total expenses | 63 | 7 | 1 | 15 | 2 |
| Net investment income (loss) | 107 | (4) | - | (10) | 11 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | 71 | (38) | 7 | 77 | 81 |
| Capital gains distributions | - | 2 | 1 | 7 | - |
| Total realized gain (loss) on investments and capital gains distributions | 71 | (36) | 8 | 84 | 81 |
| Net unrealized appreciation (depreciation) of investments | (1,028) | (22) | (25) | (145) | (75) |
| Net realized and unrealized gain (loss) on investments | (957) | (58) | (17) | (61) | 6 |
| Net increase (decrease) in net assets resulting from operations | \$ (850) | \$ (62) | \$ (17) | \$ (71) | \$ 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, 2011
(Dollars in thousands)

| | ING Solution Income Portfolio - Service Class | ING Solution Income Portfolio - Service 2 Class | ING Solution Moderate 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 investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 515 | \$ 124 | \$ 15 | \$ 1 | \$ 1,132 |
| Total investment income | 515 | 124 | 15 | 1 | 1,132 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 95 | 18 | 25 | 2 | 3,368 |
| Total expenses | 95 | 18 | 25 | 2 | 3,368 |
| Net investment income (loss) | 420 | 106 | (10) | (1) | (2,236) |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (165) | 52 | 92 | - | 4,800 |
| Capital gains distributions | - | - | 24 | - | - |
| Total realized gain (loss) on investments and capital gains distributions | (165) | 52 | 116 | - | 4,800 |
| Net unrealized appreciation (depreciation) of investments | (279) | (146) | (162) | (19) | (17,830) |
| Net realized and unrealized gain (loss) on investments | (444) | (94) | (46) | (19) | (13,030) |
| Net increase (decrease) in net assets resulting from operations | \$ (24) | \$ 12 | \$ (56) | \$ (20) | \$ (15,266) |

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, 2011
(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 |
|--|---|--|--|--|---|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 1 | \$ - | \$ - | \$ - | \$ 8 |
| Total investment income | 1 | - | - | - | 8 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 3 | 4 | 2,116 | 13 | 2 |
| Total expenses | 3 | 4 | 2,116 | 13 | 2 |
| Net investment income (loss) | (2) | (4) | (2,116) | (13) | 6 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | 3 | - | 4,225 | (37) | (16) |
| Capital gains distributions | - | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | 3 | - | 4,225 | (37) | (16) |
| Net unrealized appreciation (depreciation) of investments | (30) | (22) | (6,377) | 19 | (66) |
| Net realized and unrealized gain (loss) on investments | (27) | (22) | (2,152) | (18) | (82) |
| Net increase (decrease) in net assets resulting from operations | \$ (29) | \$ (26) | \$ (4,268) | \$ (31) | \$ (76) |

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, 2011
(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 |
|--|---|---|--|--|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 1,704 | \$ 1 | \$ 3 | \$ 671 | \$ 1 |
| Total investment income | 1,704 | 1 | 3 | 671 | 1 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 893 | - | 2 | 919 | - |
| Total expenses | 893 | - | 2 | 919 | - |
| Net investment income (loss) | 811 | 1 | 1 | (248) | 1 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (2,401) | 4 | (4) | 402 | (1) |
| Capital gains distributions | - | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | (2,401) | 4 | (4) | 402 | (1) |
| Net unrealized appreciation (depreciation) of investments | (10,198) | (16) | (106) | (13,250) | (3) |
| Net realized and unrealized gain (loss) on investments | (12,599) | (12) | (110) | (12,848) | (4) |
| Net increase (decrease) in net assets resulting from operations | \$ (11,788) | \$ (11) | \$ (109) | \$ (13,096) | \$ (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, 2011
(Dollars in thousands)

| | ING UBS U.S. Large Cap Equity Portfolio - Initial Class | ING UBS U.S. Large Cap Equity Portfolio - Service Class | ING Core Equity Research Fund - Class A | ING Strategic Allocation Conservative Portfolio - Class I | ING Strategic Allocation Growth Portfolio - Class I |
|--|--|--|--|--|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 806 | \$ - | \$ 2 | \$ 1,269 | \$ 1,703 |
| Total investment income | 806 | - | 2 | 1,269 | 1,703 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 763 | - | 1 | 301 | 640 |
| Total expenses | 763 | - | 1 | 301 | 640 |
| Net investment income (loss) | 43 | - | 1 | 968 | 1,063 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | 551 | - | 7 | (1,365) | (1,850) |
| Capital gains distributions | - | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | 551 | - | 7 | (1,365) | (1,850) |
| Net unrealized appreciation (depreciation) of investments | (3,017) | (1) | (9) | 618 | (1,687) |
| Net realized and unrealized gain (loss) on investments | (2,466) | (1) | (2) | (747) | (3,537) |
| Net increase (decrease) in net assets resulting from operations | \$ (2,423) | \$ (1) | \$ (1) | \$ 221 | \$ (2,474) |

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, 2011
(Dollars in thousands)

| | ING Strategic Allocation Moderate Portfolio - Class I | ING Growth and Income Portfolio - Class A | ING Growth and Income Portfolio - Class I | ING Growth and Income Portfolio - Class S | ING GET U.S. Core Portfolio - Series 5 |
|--|--|--|--|--|---|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 2,081 | \$ 8 | \$ 13,761 | \$ 87 | \$ 5 |
| Total investment income | 2,081 | 8 | 13,761 | 87 | 5 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 580 | 3 | 12,126 | 11 | 2 |
| Total expenses | 580 | 3 | 12,126 | 11 | 2 |
| Net investment income (loss) | 1,501 | 5 | 1,635 | 76 | 3 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (3,502) | - | (46,715) | 112 | (33) |
| Capital gains distributions | - | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | (3,502) | - | (46,715) | 112 | (33) |
| Net unrealized appreciation (depreciation) of investments | 1,032 | (18) | 31,073 | (147) | 27 |
| Net realized and unrealized gain (loss) on investments | (2,470) | (18) | (15,642) | (35) | (6) |
| Net increase (decrease) in net assets resulting from operations | \$ (969) | \$ (13) | \$ (14,007) | \$ 41 | \$ (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, 2011
(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 | \$ 62 | \$ 26 | \$ 6 | \$ 3 | \$ 1 |
| Total investment income | 62 | 26 | 6 | 3 | 1 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 28 | 17 | 6 | 2 | 1 |
| Total expenses | 28 | 17 | 6 | 2 | 1 |
| Net investment income (loss) | 34 | 9 | - | 1 | - |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (410) | (125) | (5) | (11) | (4) |
| Capital gains distributions | - | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | (410) | (125) | (5) | (11) | (4) |
| Net unrealized appreciation (depreciation) of investments | 341 | 98 | (2) | 8 | 3 |
| Net realized and unrealized gain (loss) on investments | (69) | (27) | (7) | (3) | (1) |
| Net increase (decrease) in net assets resulting from operations | \$ (35) | \$ (18) | \$ (7) | \$ (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, 2011
(Dollars in thousands)

| | ING GET U.S. Core Portfolio - Series 11 | ING BlackRock Science and Technology Opportunities Portfolio - Adviser Class | ING BlackRock Science and Technology Opportunities Portfolio - Class I | ING Index Plus LargeCap Portfolio - Class I | ING Index Plus LargeCap Portfolio - Class S |
|--|--|---|---|--|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 1 | \$ - | \$ - | \$ 5,271 | \$ 6 |
| Total investment income | 1 | - | - | 5,271 | 6 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 1 | - | 486 | 2,800 | 1 |
| Total expenses | 1 | - | 486 | 2,800 | 1 |
| Net investment income (loss) | - | - | (486) | 2,471 | 5 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | - | - | 2,205 | 3,168 | (3) |
| Capital gains distributions | - | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | - | - | 2,205 | 3,168 | (3) |
| Net unrealized appreciation (depreciation) of investments | - | - | (8,038) | (8,323) | (3) |
| Net realized and unrealized gain (loss) on investments | - | - | (5,833) | (5,155) | (6) |
| Net increase (decrease) in net assets resulting from operations | \$ - | \$ - | \$ (6,319) | \$ (2,684) | \$ (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, 2011
(Dollars in thousands)

| | ING Index Plus MidCap Portfolio - Class I | ING Index Plus MidCap Portfolio - Class S | ING Index Plus SmallCap Portfolio - Class I | ING Index Plus SmallCap Portfolio - Class S | ING International Index Portfolio - Class I |
|--|--|--|--|--|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 2,479 | \$ 2 | \$ 999 | \$ 1 | \$ 509 |
| Total investment income | 2,479 | 2 | 999 | 1 | 509 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 2,734 | 1 | 1,080 | 1 | 194 |
| Total expenses | 2,734 | 1 | 1,080 | 1 | 194 |
| Net investment income (loss) | (255) | 1 | (81) | - | 315 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (1,440) | 73 | (2,304) | 13 | 275 |
| Capital gains distributions | - | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | (1,440) | 73 | (2,304) | 13 | 275 |
| Net unrealized appreciation (depreciation) of investments | (4,101) | (73) | 509 | (14) | (3,239) |
| Net realized and unrealized gain (loss) on investments | (5,541) | - | (1,795) | (1) | (2,964) |
| Net increase (decrease) in net assets resulting from operations | \$ (5,796) | \$ 1 | \$ (1,876) | \$ (1) | \$ (2,649) |

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, 2011
(Dollars in thousands)

| | ING International Index Portfolio - Class S | ING Russell™ Large Cap Growth Index Portfolio - Class I | ING Russell™ Large Cap Growth Index Portfolio - Class S | ING Russell™ Large Cap Index Portfolio - Class I | ING Russell™ Large Cap Index Portfolio - Class S |
|--|---|---|---|--|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ - | \$ 60 | \$ 6 | \$ 196 | \$ - |
| Total investment income | - | 60 | 6 | 196 | - |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | - | 48 | 3 | 118 | - |
| Total expenses | - | 48 | 3 | 118 | - |
| Net investment income (loss) | - | 12 | 3 | 78 | - |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | - | 358 | 75 | 400 | - |
| Capital gains distributions | - | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | - | 358 | 75 | 400 | - |
| Net unrealized appreciation (depreciation) of investments | (2) | (231) | (64) | (256) | - |
| Net realized and unrealized gain (loss) on investments | (2) | 127 | 11 | 144 | - |
| Net increase (decrease) in net assets resulting from operations | \$ (2) | \$ 139 | \$ 14 | \$ 222 | \$ - |

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, 2011
(Dollars in thousands)

| | ING Russell™ Large Cap Value Index Portfolio - Class I | ING Russell™ Large Cap Value Index Portfolio - Class S | ING Russell™ Mid Cap Growth Index Portfolio - Class S | ING Russell™ Mid Cap Index Portfolio - Class I | ING Russell™ Small Cap Index Portfolio - Class I |
|--|--|--|---|---|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 2 | \$ 40 | \$ 22 | \$ 89 | \$ 54 |
| Total investment income | 2 | 40 | 22 | 89 | 54 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 2 | 27 | 50 | 73 | 61 |
| Total expenses | 2 | 27 | 50 | 73 | 61 |
| Net investment income (loss) | - | 13 | (28) | 16 | (7) |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | 3 | 65 | 415 | 655 | 592 |
| Capital gains distributions | - | - | - | 56 | - |
| Total realized gain (loss) on investments and capital gains distributions | 3 | 65 | 415 | 711 | 592 |
| Net unrealized appreciation (depreciation) of investments | (5) | (85) | (583) | (964) | (917) |
| Net realized and unrealized gain (loss) on investments | (2) | (20) | (168) | (253) | (325) |
| Net increase (decrease) in net assets resulting from operations | \$ (2) | \$ (7) | \$ (196) | \$ (237) | \$ (332) |

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, 2011
(Dollars in thousands)

| | ING Small Company Portfolio - Class I | ING Small Company Portfolio - Class S | ING U.S. Bond Index Portfolio - Class I | ING International Value Portfolio - Class I | ING International Value Portfolio - Class S |
|--|--|--|--|--|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 489 | \$ - | \$ 150 | \$ 1,912 | \$ 6 |
| Total investment income | 489 | - | 150 | 1,912 | 6 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 1,178 | 1 | 62 | 599 | 1 |
| Total expenses | 1,178 | 1 | 62 | 599 | 1 |
| Net investment income (loss) | (689) | (1) | 88 | 1,313 | 5 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (232) | 1 | 83 | (12,879) | (30) |
| Capital gains distributions | - | - | 76 | - | - |
| Total realized gain (loss) on investments and capital gains distributions | (232) | 1 | 159 | (12,879) | (30) |
| Net unrealized appreciation (depreciation) of investments | (3,396) | (10) | 88 | (145) | (13) |
| Net realized and unrealized gain (loss) on investments | (3,628) | (9) | 247 | (13,024) | (43) |
| Net increase (decrease) in net assets resulting from operations | \$ (4,317) | \$ (10) | \$ 335 | \$ (11,711) | \$ (38) |

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, 2011
(Dollars in thousands)

| | ING MidCap Opportunities Portfolio - Class I | ING MidCap Opportunities Portfolio - Class S | ING SmallCap Opportunities Portfolio - Class I | ING SmallCap Opportunities Portfolio - Class S | Invesco Mid Cap Core Equity Fund - Class A |
|--|---|---|---|---|---|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total investment income | - | - | - | - | - |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 279 | 13 | 179 | - | 46 |
| Total expenses | 279 | 13 | 179 | - | 46 |
| Net investment income (loss) | (279) | (13) | (179) | - | (46) |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | 483 | 199 | 36 | 39 | 182 |
| Capital gains distributions | - | - | - | - | 160 |
| Total realized gain (loss) on investments and capital gains distributions | 483 | 199 | 36 | 39 | 342 |
| Net unrealized appreciation (depreciation) of investments | (1,052) | (200) | 104 | (35) | (685) |
| Net realized and unrealized gain (loss) on investments | (569) | (1) | 140 | 4 | (343) |
| Net increase (decrease) in net assets resulting from operations | <u>\$ (848)</u> | <u>\$ (14)</u> | <u>\$ (39)</u> | <u>\$ 4</u> | <u>\$ (389)</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, 2011
(Dollars in thousands)

| | Invesco Small Cap Growth Fund - Class A | Invesco Endeavor Fund - Class A | Invesco Global Health Care Fund - Investor Class | Invesco U.S. Small Cap Value Fund - Class Y | Invesco Van Kampen Small Cap Value Fund - Class A |
|--|--|--|---|--|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ - | \$ - | \$ 1 | \$ - | \$ - |
| Total investment income | - | - | 1 | - | - |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | - | - | 2 | - | 1 |
| Total expenses | - | - | 2 | - | 1 |
| Net investment income (loss) | - | - | (1) | - | (1) |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (2) | - | 19 | 898 | 11 |
| Capital gains distributions | 1 | - | 3 | 688 | 6 |
| Total realized gain (loss) on investments and capital gains distributions | (1) | - | 22 | 1,586 | 17 |
| Net unrealized appreciation (depreciation) of investments | (1) | - | (20) | (1,042) | (25) |
| Net realized and unrealized gain (loss) on investments | (2) | - | 2 | 544 | (8) |
| Net increase (decrease) in net assets resulting from operations | \$ (2) | \$ - | \$ 1 | \$ 544 | \$ (9) |

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, 2011
(Dollars in thousands)

| | Invesco Van Kampen Small Cap Value Fund - Class Y | Invesco V.I. Capital Appreciation Fund - Series I Shares | Invesco V.I. Core Equity Fund - Series I Shares | Janus Aspen Series Balanced Portfolio - Institutional Shares | Janus Aspen Series Enterprise Portfolio - Institutional Shares |
|--|--|---|--|---|---|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ - | \$ 32 | \$ 356 | \$ 5 | \$ - |
| Total investment income | - | 32 | 356 | 5 | - |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | - | 218 | 377 | 2 | 4 |
| Total expenses | - | 218 | 377 | 2 | 4 |
| Net investment income (loss) | - | (186) | (21) | 3 | (4) |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (244) | (352) | 961 | (8) | 8 |
| Capital gains distributions | 592 | - | - | 10 | - |
| Total realized gain (loss) on investments and capital gains distributions | 348 | (352) | 961 | 2 | 8 |
| Net unrealized appreciation (depreciation) of investments | (1,714) | (1,345) | (1,201) | (5) | (11) |
| Net realized and unrealized gain (loss) on investments | (1,366) | (1,697) | (240) | (3) | (3) |
| Net increase (decrease) in net assets resulting from operations | \$ (1,366) | \$ (1,883) | \$ (261) | \$ - | \$ (7) |

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, 2011
(Dollars in thousands)

| | Janus Aspen Series Flexible Bond Portfolio - Institutional Shares | Janus Aspen Series Janus Portfolio - Institutional Shares | Janus Aspen Series Worldwide Portfolio - Institutional Shares | Lazard Emerging Markets Equity Portfolio - Open Shares | Lazard U.S. Mid Cap Equity Portfolio - Open Shares |
|--|--|--|--|---|---|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 5 | \$ - | \$ 1 | \$ - | \$ 1 |
| Total investment income | 5 | - | 1 | - | 1 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 1 | 1 | 2 | - | 25 |
| Total expenses | 1 | 1 | 2 | - | 25 |
| Net investment income (loss) | 4 | (1) | (1) | - | (24) |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | 1 | (1) | (5) | - | 222 |
| Capital gains distributions | 1 | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | 2 | (1) | (5) | - | 222 |
| Net unrealized appreciation (depreciation) of investments | (3) | (3) | (14) | - | (467) |
| Net realized and unrealized gain (loss) on investments | (1) | (4) | (19) | - | (245) |
| Net increase (decrease) in net assets resulting from operations | \$ 3 | \$ (5) | \$ (20) | \$ - | \$ (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, 2011
(Dollars in thousands)

| | LKCM Aquinas Growth Fund | Loomis Sayles Small Cap Value Fund - Retail Class | Lord Abbett Developing Growth Fund, Inc. - Class A | Lord Abbett Core Fixed Income Fund - Class A | Lord Abbett Mid-Cap Value Fund, Inc. - Class A |
|--|-------------------------------------|--|---|---|---|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ - | \$ - | \$ - | \$ 1 | \$ 2 |
| Total investment income | - | - | - | 1 | 2 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 3 | 62 | - | 2 | 13 |
| Total expenses | 3 | 62 | - | 2 | 13 |
| Net investment income (loss) | (3) | (62) | - | (1) | (11) |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | 6 | 282 | - | - | (95) |
| Capital gains distributions | - | - | 4 | 1 | - |
| Total realized gain (loss) on investments and capital gains distributions | 6 | 282 | 4 | 1 | (95) |
| Net unrealized appreciation (depreciation) of investments | - | (505) | (7) | - | 42 |
| Net realized and unrealized gain (loss) on investments | 6 | (223) | (3) | 1 | (53) |
| Net increase (decrease) in net assets resulting from operations | \$ 3 | \$ (285) | \$ (3) | \$ - | \$ (64) |

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, 2011
(Dollars in thousands)

| | Lord Abbett Small-Cap Value Fund - Class A | Lord Abbett Fundamental Equity Fund - Class A | Lord Abbett Series Fund - Mid-Cap Value Portfolio - Class VC | Massachusetts Investors Growth Stock Fund - Class A | Neuberger Berman Genesis Fund® - Trust Class |
|--|---|--|---|--|---|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ - | \$ - | \$ 202 | \$ 2 | \$ 1 |
| Total investment income | - | - | 202 | 2 | 1 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 14 | - | 895 | 3 | - |
| Total expenses | 14 | - | 895 | 3 | - |
| Net investment income (loss) | (14) | - | (693) | (1) | 1 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (19) | - | (2,224) | - | - |
| Capital gains distributions | - | 1 | - | - | 1 |
| Total realized gain (loss) on investments and capital gains distributions | (19) | 1 | (2,224) | - | 1 |
| Net unrealized appreciation (depreciation) of investments | (57) | (4) | (1,714) | 1 | (2) |
| Net realized and unrealized gain (loss) on investments | (76) | (3) | (3,938) | 1 | (1) |
| Net increase (decrease) in net assets resulting from operations | \$ (90) | \$ (3) | \$ (4,631) | \$ - | \$ - |

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, 2011
(Dollars in thousands)

| | 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 |
|--|---|--|--|--|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 64 | \$ 26 | \$ 728 | \$ 1 | \$ 4,872 |
| Total investment income | 64 | 26 | 728 | 1 | 4,872 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 100 | 12 | 614 | 4 | 2,844 |
| Total expenses | 100 | 12 | 614 | 4 | 2,844 |
| Net investment income (loss) | (36) | 14 | 114 | (3) | 2,028 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (63) | (102) | (887) | 29 | (5,198) |
| Capital gains distributions | - | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | (63) | (102) | (887) | 29 | (5,198) |
| Net unrealized appreciation (depreciation) of investments | (508) | (228) | (5,523) | (37) | (57,897) |
| Net realized and unrealized gain (loss) on investments | (571) | (330) | (6,410) | (8) | (63,095) |
| Net increase (decrease) in net assets resulting from operations | \$ (607) | \$ (316) | \$ (6,296) | \$ (11) | \$ (61,067) |

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, 2011
(Dollars in thousands)

| | Oppenheimer Gold & Special Minerals Fund - Class A | Oppenheimer International Bond Fund - Class A | Oppenheimer Global Securities/VA | Oppenheimer Global Strategic Income Fund/VA | Oppenheimer Main Street Fund®/VA |
|--|---|--|---|--|---|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ - | \$ 6 | \$ 3 | \$ 4 | \$ 1 |
| Total investment income | - | 6 | 3 | 4 | 1 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | - | 1 | 3 | 1 | 1 |
| Total expenses | - | 1 | 3 | 1 | 1 |
| Net investment income (loss) | - | 5 | - | 3 | - |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (5) | - | (8) | 1 | (1) |
| Capital gains distributions | - | - | - | 1 | - |
| Total realized gain (loss) on investments and capital gains distributions | (5) | - | (8) | 2 | (1) |
| Net unrealized appreciation (depreciation) of investments | (2) | (7) | (13) | (5) | - |
| Net realized and unrealized gain (loss) on investments | (7) | (7) | (21) | (3) | (1) |
| Net increase (decrease) in net assets resulting from operations | \$ (7) | \$ (2) | \$ (21) | \$ - | \$ (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, 2011
(Dollars in thousands)

| | Oppenheimer Main Street Small- & Mid- Cap Fund®/VA | Oppenheimer Small- & Mid- Cap Growth Fund/VA | Parnassus Equity Income Fund - Investor Shares | Pax World Balanced Fund - Individual Investor Class | PIMCO Real Return Portfolio - Administrative Class |
|--|---|---|---|--|---|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 62 | \$ - | \$ - | \$ 649 | \$ 9,254 |
| Total investment income | 62 | - | - | 649 | 9,254 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 96 | - | - | 502 | 1,507 |
| Total expenses | 96 | - | - | 502 | 1,507 |
| Net investment income (loss) | (34) | - | - | 147 | 7,747 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (165) | - | - | (565) | 1,148 |
| Capital gains distributions | - | - | 1 | - | - |
| Total realized gain (loss) on investments and capital gains distributions | (165) | - | 1 | (565) | 1,148 |
| Net unrealized appreciation (depreciation) of investments | (85) | 1 | 4 | (942) | 8,188 |
| Net realized and unrealized gain (loss) on investments | (250) | 1 | 5 | (1,507) | 9,336 |
| Net increase (decrease) in net assets resulting from operations | <u>\$ (284)</u> | <u>\$ 1</u> | <u>\$ 5</u> | <u>\$ (1,360)</u> | <u>\$ 17,083</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, 2011
(Dollars in thousands)

| | Pioneer High Yield Fund - Class A | Pioneer Strategic Income Fund - Class A | Pioneer Emerging Markets VCT Portfolio - Class I | Pioneer High Yield VCT Portfolio - Class I | Pioneer Mid Cap Value VCT Portfolio - Class I |
|--|--|--|---|---|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 247 | \$ 6 | \$ 66 | \$ 1,284 | \$ - |
| Total investment income | 247 | 6 | 66 | 1,284 | - |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 26 | 3 | 209 | 239 | - |
| Total expenses | 26 | 3 | 209 | 239 | - |
| Net investment income (loss) | 221 | 3 | (143) | 1,045 | - |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (102) | - | (1,131) | (258) | - |
| Capital gains distributions | - | 2 | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | (102) | 2 | (1,131) | (258) | - |
| Net unrealized appreciation (depreciation) of investments | (203) | (6) | (4,864) | (1,515) | - |
| Net realized and unrealized gain (loss) on investments | (305) | (4) | (5,995) | (1,773) | - |
| Net increase (decrease) in net assets resulting from operations | \$ (84) | \$ (1) | \$ (6,138) | \$ (728) | \$ - |

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, 2011
(Dollars in thousands)

| | Columbia Diversified Equity Income Fund - Class R-3 | Columbia Diversified Equity Income Fund - Class R-4 | Royce Total Return Fund - Class K | SMALLCAP World Fund® - Class R-4 | T. Rowe Price Mid-Cap Value Fund - R Class |
|--|--|--|--|---|---|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 1 | \$ 97 | \$ - | \$ 26 | \$ 3 |
| Total investment income | 1 | 97 | - | 26 | 3 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | - | 52 | - | 71 | 5 |
| Total expenses | - | 52 | - | 71 | 5 |
| Net investment income (loss) | 1 | 45 | - | (45) | (2) |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | 13 | 421 | - | 362 | - |
| Capital gains distributions | - | - | - | - | 25 |
| Total realized gain (loss) on investments and capital gains distributions | 13 | 421 | - | 362 | 25 |
| Net unrealized appreciation (depreciation) of investments | (17) | (904) | - | (1,543) | (65) |
| Net realized and unrealized gain (loss) on investments | (4) | (483) | - | (1,181) | (40) |
| Net increase (decrease) in net assets resulting from operations | \$ (3) | \$ (438) | \$ - | \$ (1,226) | \$ (42) |

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, 2011
(Dollars in thousands)

| | T. Rowe Price Value Fund - Advisor Class | Templeton Foreign Fund - Class A | Templeton Global Bond Fund - Class A | Thornburg International Value Fund - Class R4 | USAA Precious Metals and Minerals Fund - Adviser Shares |
|--|---|---|---|--|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 2 | \$ 30 | \$ 12,865 | \$ 1 | \$ 10 |
| Total investment income | 2 | 30 | 12,865 | 1 | 10 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 2 | 9 | 1,958 | - | 28 |
| Total expenses | 2 | 9 | 1,958 | - | 28 |
| Net investment income (loss) | - | 21 | 10,907 | 1 | (18) |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (7) | 8 | 3,188 | - | (92) |
| Capital gains distributions | - | - | 1,300 | - | 563 |
| Total realized gain (loss) on investments and capital gains distributions | (7) | 8 | 4,488 | - | 471 |
| Net unrealized appreciation (depreciation) of investments | - | (196) | (22,866) | (9) | (1,523) |
| Net realized and unrealized gain (loss) on investments | (7) | (188) | (18,378) | (9) | (1,052) |
| Net increase (decrease) in net assets resulting from operations | \$ (7) | \$ (167) | \$ (7,471) | \$ (8) | \$ (1,070) |

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, 2011
(Dollars in thousands)

| | Diversified Value Portfolio | Equity Income Portfolio | Small Company Growth Portfolio | Victory Small Company Opportunity Fund - Class R | Wanger International |
|--|--|------------------------------------|---|---|---------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 2 | \$ 8 | \$ - | \$ - | \$ 1,278 |
| Total investment income | 2 | 8 | - | - | 1,278 |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 1 | 4 | 1 | - | 219 |
| Total expenses | 1 | 4 | 1 | - | 219 |
| Net investment income (loss) | 1 | 4 | (1) | - | 1,059 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (1) | (10) | (1) | - | (223) |
| Capital gains distributions | - | - | - | - | 648 |
| Total realized gain (loss) on investments and capital gains distributions | (1) | (10) | (1) | - | 425 |
| Net unrealized appreciation (depreciation) of investments | 3 | 34 | 2 | - | (5,864) |
| Net realized and unrealized gain (loss) on investments | 2 | 24 | 1 | - | (5,439) |
| Net increase (decrease) in net assets resulting from operations | \$ 3 | \$ 28 | \$ - | \$ - | \$ (4,380) |

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, 2011
(Dollars in thousands)

| | <u>Wanger Select</u> | <u>Wanger USA</u> | <u>Washington Mutual Investors FundSM, Inc. - Class R-3</u> | <u>Washington Mutual Investors FundSM, Inc. - Class R-4</u> | <u>Wells Fargo Advantage Small Cap Value Fund - Class A</u> |
|--|----------------------|-------------------|--|--|---|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 2,050 | \$ - | \$ 88 | \$ 1,886 | \$ - |
| Total investment income | 2,050 | - | 88 | 1,886 | - |
| Expenses: | | | | | |
| Mortality, expense risk and other charges | 766 | 341 | 27 | 831 | 1 |
| Total expenses | 766 | 341 | 27 | 831 | 1 |
| Net investment income (loss) | 1,284 | (341) | 61 | 1,055 | (1) |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | 115 | (475) | (247) | (556) | (3) |
| Capital gains distributions | - | 3,517 | 9 | 184 | 1 |
| Total realized gain (loss) on investments and capital gains distributions | 115 | 3,042 | (238) | (372) | (2) |
| Net unrealized appreciation (depreciation) of investments | (19,640) | (4,528) | 439 | 4,272 | (9) |
| Net realized and unrealized gain (loss) on investments | (19,525) | (1,486) | 201 | 3,900 | (11) |
| Net increase (decrease) in net assets resulting from operations | \$ (18,241) | \$ (1,827) | \$ 262 | \$ 4,955 | \$ (12) |

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, 2011
(Dollars in thousands)

| | Wells Fargo Advantage Special Small Cap Values Fund - Class A |
|--|--|
| Net investment income (loss) | |
| Income: | |
| Dividends | \$ - |
| Total investment income | - |
| Expenses: | |
| Mortality, expense risk and other charges | 932 |
| Total expenses | 932 |
| Net investment income (loss) | (932) |
| Realized and unrealized gain (loss) on investments | |
| Net realized gain (loss) on investments | (2,970) |
| Capital gains distributions | - |
| Total realized gain (loss) on investments and capital gains distributions | (2,970) |
| Net unrealized appreciation (depreciation) of investments | 958 |
| Net realized and unrealized gain (loss) on investments | (2,012) |
| Net increase (decrease) in net assets resulting from operations | \$ (2,944) |

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, 2011 and 2010
(Dollars in thousands)

| | Alger Green Fund - Class A | AllianceBernstein Growth and Income Fund, Inc. - Class A | AllianceBernstein Growth and Income Portfolio - Class A |
|--|---------------------------------------|---|--|
| Net assets at January 1, 2010 | \$ 1,064 | \$ 196 | \$ 434 |
| Increase (decrease) in net assets from operations | | | |
| Operations: | | | |
| Net investment income (loss) | (14) | (1) | (5) |
| Total realized gain (loss) on investments and capital gains distributions | 57 | (29) | (67) |
| Net unrealized appreciation (depreciation) of investments | 72 | 51 | 121 |
| Net increase (decrease) in net assets from operations | 115 | 21 | 49 |
| Changes from contract transactions: | | | |
| Total unit transactions | 435 | (26) | (26) |
| Net increase (decrease) in assets derived from principal transactions | 435 | (26) | (26) |
| Total increase (decrease) in net assets | 550 | (5) | 23 |
| Net assets at December 31, 2010 | 1,614 | 191 | 457 |
| Increase (decrease) in net assets from operations | | | |
| Operations: | | | |
| Net investment income (loss) | (17) | - | - |
| Total realized gain (loss) on investments and capital gains distributions | 35 | 2 | (38) |
| Net unrealized appreciation (depreciation) of investments | (130) | 7 | 61 |
| Net increase (decrease) in net assets from operations | (112) | 9 | 23 |
| Changes from contract transactions: | | | |
| Total unit transactions | 120 | (28) | (7) |
| Net increase (decrease) in assets derived from principal transactions | 120 | (28) | (7) |
| Total increase (decrease) in net assets | 8 | (19) | 16 |
| Net assets at December 31, 2011 | <u>\$ 1,622</u> | <u>\$ 172</u> | <u>\$ 473</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, 2011 and 2010
(Dollars in thousands)

| | Allianz NFJ Dividend Value Fund - Class A | Allianz NFJ Large-Cap Value Fund - Institutional Class | Allianz NFJ Small-Cap Value Fund - Class A | Amana Growth Fund |
|--|--|---|---|------------------------------|
| Net assets at January 1, 2010 | \$ 134 | \$ 1,179 | \$ 563 | \$ 5,651 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 4 | 40 | - | (97) |
| Total realized gain (loss) on investments and capital gains distributions | 3 | 128 | (55) | 95 |
| Net unrealized appreciation (depreciation) of investments | 22 | 34 | 138 | 1,911 |
| Net increase (decrease) in net assets from operations | 29 | 202 | 83 | 1,909 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 95 | 498 | (248) | 10,440 |
| Net increase (decrease) in assets derived from principal transactions | 95 | 498 | (248) | 10,440 |
| Total increase (decrease) in net assets | 124 | 700 | (165) | 12,349 |
| Net assets at December 31, 2010 | 258 | 1,879 | 398 | 18,000 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 3 | 72 | 2 | (213) |
| Total realized gain (loss) on investments and capital gains distributions | 22 | 124 | 55 | 548 |
| Net unrealized appreciation (depreciation) of investments | (19) | (172) | (53) | (1,216) |
| Net increase (decrease) in net assets from operations | 6 | 24 | 4 | (881) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (85) | 1,160 | (7) | 10,703 |
| Net increase (decrease) in assets derived from principal transactions | (85) | 1,160 | (7) | 10,703 |
| Total increase (decrease) in net assets | (79) | 1,184 | (3) | 9,822 |
| Net assets at December 31, 2011 | <u>\$ 179</u> | <u>\$ 3,063</u> | <u>\$ 395</u> | <u>\$ 27,822</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, 2011 and 2010
(Dollars in thousands)

| | Amana Income Fund | American Balanced Fund® - Class R-3 | American Century Inflation- Adjusted Bond Fund - Investor Class | American Century Income & Growth Fund - A Class |
|--|------------------------------|--|--|--|
| Net assets at January 1, 2010 | \$ 10,356 | \$ 5,796 | \$ 9,060 | \$ 4,656 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 120 | 65 | 196 | 9 |
| Total realized gain (loss) on investments and capital gains distributions | 138 | (91) | 331 | (308) |
| Net unrealized appreciation (depreciation) of investments | 2,578 | 695 | 30 | 862 |
| Net increase (decrease) in net assets from operations | 2,836 | 669 | 557 | 563 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 16,215 | (287) | 8,350 | (119) |
| Net increase (decrease) in assets derived from principal transactions | 16,215 | (287) | 8,350 | (119) |
| Total increase (decrease) in net assets | 19,051 | 382 | 8,907 | 444 |
| Net assets at December 31, 2010 | 29,407 | 6,178 | 17,967 | 5,100 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 242 | 72 | 964 | 18 |
| Total realized gain (loss) on investments and capital gains distributions | 832 | (86) | 672 | (145) |
| Net unrealized appreciation (depreciation) of investments | (707) | 181 | 1,008 | 208 |
| Net increase (decrease) in net assets from operations | 367 | 167 | 2,644 | 81 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 10,643 | (619) | 22,977 | 150 |
| Net increase (decrease) in assets derived from principal transactions | 10,643 | (619) | 22,977 | 150 |
| Total increase (decrease) in net assets | 11,010 | (452) | 25,621 | 231 |
| Net assets at December 31, 2011 | <u>\$ 40,417</u> | <u>\$ 5,726</u> | <u>\$ 43,588</u> | <u>\$ 5,331</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, 2011 and 2010
(Dollars in thousands)

| | American Funds American Mutual Fund® - Class R-4 | Ariel Appreciation Fund | Ariel Fund | Artisan International Fund - Investor Shares |
|--|---|--|-------------------|---|
| Net assets at January 1, 2010 | \$ - | \$ 622 | \$ 1,271 | \$ 1,829 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | (7) | (18) | (2) |
| Total realized gain (loss) on investments and capital gains distributions | - | (32) | 42 | 157 |
| Net unrealized appreciation (depreciation) of investments | - | 165 | 393 | (37) |
| Net increase (decrease) in net assets from operations | - | 126 | 417 | 118 |
| Changes from contract transactions: | | | | |
| Total unit transactions | - | 85 | 830 | 563 |
| Net increase (decrease) in assets derived from principal transactions | - | 85 | 830 | 563 |
| Total increase (decrease) in net assets | - | 211 | 1,247 | 681 |
| Net assets at December 31, 2010 | - | 833 | 2,518 | 2,510 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | (5) | (28) | 10 |
| Total realized gain (loss) on investments and capital gains distributions | - | 23 | 400 | 60 |
| Net unrealized appreciation (depreciation) of investments | - | (98) | (890) | (302) |
| Net increase (decrease) in net assets from operations | - | (80) | (518) | (232) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 6 | (74) | 1,064 | 396 |
| Net increase (decrease) in assets derived from principal transactions | 6 | (74) | 1,064 | 396 |
| Total increase (decrease) in net assets | 6 | (154) | 546 | 164 |
| Net assets at December 31, 2011 | <u>\$ 6</u> | <u>\$ 679</u> | <u>\$ 3,064</u> | <u>\$ 2,674</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, 2011 and 2010
(Dollars in thousands)

| | Aston/Fairpointe Mid Cap Fund - Class N | BlackRock Equity Dividend Fund - Investor A Shares | BlackRock Mid Cap Value Opportunities Fund - Investor A Shares | The Bond Fund of AmericaSM, Inc. - Class R-4 |
|--|--|---|---|--|
| Net assets at January 1, 2010 | \$ - | \$ - | \$ 263 | \$ 5,982 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 1 | 2 | (24) | 210 |
| Total realized gain (loss) on investments and capital gains distributions | 13 | - | 68 | 290 |
| Net unrealized appreciation (depreciation) of investments | 271 | 18 | 496 | (77) |
| Net increase (decrease) in net assets from operations | 285 | 20 | 540 | 423 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 2,640 | 163 | 3,713 | 1,805 |
| Net increase (decrease) in assets derived from principal transactions | 2,640 | 163 | 3,713 | 1,805 |
| Total increase (decrease) in net assets | 2,925 | 183 | 4,253 | 2,228 |
| Net assets at December 31, 2010 | 2,925 | 183 | 4,516 | 8,210 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (39) | 4 | (39) | 202 |
| Total realized gain (loss) on investments and capital gains distributions | 130 | 2 | 205 | 219 |
| Net unrealized appreciation (depreciation) of investments | (563) | 7 | (300) | 20 |
| Net increase (decrease) in net assets from operations | (472) | 13 | (134) | 441 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 3,103 | 291 | 3,098 | 568 |
| Net increase (decrease) in assets derived from principal transactions | 3,103 | 291 | 3,098 | 568 |
| Total increase (decrease) in net assets | 2,631 | 304 | 2,964 | 1,009 |
| Net assets at December 31, 2011 | <u>\$ 5,556</u> | <u>\$ 487</u> | <u>\$ 7,480</u> | <u>\$ 9,219</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 Changes in Net Assets
For the Years Ended December 31, 2011 and 2010
(Dollars in thousands)

| | Calvert VP SRI Balanced Portfolio | Capital World Growth & Income FundSM, Inc. - Class R-3 | Cohen & Steers Realty Shares | ColumbiaSM Acorn Fund® - Class A |
|--|--|--|---|--|
| Net assets at January 1, 2010 | \$ 42,394 | \$ 14 | \$ - | \$ - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 174 | 4 | - | - |
| Total realized gain (loss) on investments and capital gains distributions | 149 | 1 | - | - |
| Net unrealized appreciation (depreciation) of investments | 4,179 | 30 | - | 1 |
| Net increase (decrease) in net assets from operations | 4,502 | 35 | - | 1 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (1,673) | 314 | - | 8 |
| Net increase (decrease) in assets derived from principal transactions | (1,673) | 314 | - | 8 |
| Total increase (decrease) in net assets | 2,829 | 349 | - | 9 |
| Net assets at December 31, 2010 | 45,223 | 363 | - | 9 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 124 | 5 | 5 | - |
| Total realized gain (loss) on investments and capital gains distributions | 309 | 4 | (29) | 3 |
| Net unrealized appreciation (depreciation) of investments | 1,150 | (49) | 29 | (7) |
| Net increase (decrease) in net assets from operations | 1,583 | (40) | 5 | (4) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (2,765) | 92 | 672 | 64 |
| Net increase (decrease) in assets derived from principal transactions | (2,765) | 92 | 672 | 64 |
| Total increase (decrease) in net assets | (1,182) | 52 | 677 | 60 |
| Net assets at December 31, 2011 | <u>\$ 44,041</u> | <u>\$ 415</u> | <u>\$ 677</u> | <u>\$ 69</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, 2011 and 2010
(Dollars in thousands)

| | ColumbiaSM Acorn Fund® - Class Z | Columbia Mid Cap Value Fund - Class A | Columbia Mid Cap Value Fund - Class Z | CRM Mid Cap Value Fund - Investor Shares |
|--|--|--|--|---|
| Net assets at January 1, 2010 | \$ 2,451 | \$ 2,961 | \$ 1,314 | \$ 70 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 8 | 11 | 30 | - |
| Total realized gain (loss) on investments and capital gains distributions | 398 | 187 | 263 | 5 |
| Net unrealized appreciation (depreciation) of investments | 715 | 469 | 141 | 25 |
| Net increase (decrease) in net assets from operations | 1,121 | 667 | 434 | 30 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 3,523 | 249 | 991 | 123 |
| Net increase (decrease) in assets derived from principal transactions | 3,523 | 249 | 991 | 123 |
| Total increase (decrease) in net assets | 4,644 | 916 | 1,425 | 153 |
| Net assets at December 31, 2010 | 7,095 | 3,877 | 2,739 | 223 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 29 | (16) | 42 | (1) |
| Total realized gain (loss) on investments and capital gains distributions | 920 | 307 | 227 | 5 |
| Net unrealized appreciation (depreciation) of investments | (1,575) | (513) | (489) | (23) |
| Net increase (decrease) in net assets from operations | (626) | (222) | (220) | (19) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 4,379 | 150 | 2,844 | 12 |
| Net increase (decrease) in assets derived from principal transactions | 4,379 | 150 | 2,844 | 12 |
| Total increase (decrease) in net assets | 3,753 | (72) | 2,624 | (7) |
| Net assets at December 31, 2011 | <u>\$ 10,848</u> | <u>\$ 3,805</u> | <u>\$ 5,363</u> | <u>\$ 216</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, 2011 and 2010
(Dollars in thousands)

| | Dodge & Cox International Stock Fund | Dodge & Cox Stock Fund | DWS Equity 500 Index Fund - Class S | Eaton Vance Large-Cap Value Fund - Class R |
|--|---|---------------------------------------|--|---|
| Net assets at January 1, 2010 | \$ - | \$ - | \$ 247 | \$ 13 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | - | 2 | - |
| Total realized gain (loss) on investments and capital gains distributions | - | - | (1) | 2 |
| Net unrealized appreciation (depreciation) of investments | - | - | 39 | 3 |
| Net increase (decrease) in net assets from operations | - | - | 40 | 5 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 4 | - | 64 | 20 |
| Net increase (decrease) in assets derived from principal transactions | 4 | - | 64 | 20 |
| Total increase (decrease) in net assets | 4 | - | 104 | 25 |
| Net assets at December 31, 2010 | 4 | - | 351 | 38 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 2 | - | 3 | 1 |
| Total realized gain (loss) on investments and capital gains distributions | - | - | - | - |
| Net unrealized appreciation (depreciation) of investments | (8) | (2) | (1) | (3) |
| Net increase (decrease) in net assets from operations | (6) | (2) | 2 | (2) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 138 | 26 | 47 | 10 |
| Net increase (decrease) in assets derived from principal transactions | 138 | 26 | 47 | 10 |
| Total increase (decrease) in net assets | 132 | 24 | 49 | 8 |
| Net assets at December 31, 2011 | <u>\$ 136</u> | <u>\$ 24</u> | <u>\$ 400</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**
Statements of Changes in Net Assets
For the Years Ended December 31, 2011 and 2010
(Dollars in thousands)

| | EuroPacific Growth Fund® - Class R-3 | EuroPacific Growth Fund® - Class R-4 | Fidelity® Advisor New Insights Fund - Institutional Class | Fidelity® VIP Equity-Income Portfolio - Initial Class |
|--|---|---|--|--|
| Net assets at January 1, 2010 | \$ 11,577 | \$ 247,037 | \$ - | \$ 263,715 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 82 | 1,669 | - | 2,238 |
| Total realized gain (loss) on investments and capital gains distributions | (322) | (278) | - | (1,687) |
| Net unrealized appreciation (depreciation) of investments | 1,281 | 20,141 | 4 | 34,314 |
| Net increase (decrease) in net assets from operations | 1,041 | 21,532 | 4 | 34,865 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 336 | 11,266 | 34 | (18,262) |
| Net increase (decrease) in assets derived from principal transactions | 336 | 11,266 | 34 | (18,262) |
| Total increase (decrease) in net assets | 1,377 | 32,798 | 38 | 16,603 |
| Net assets at December 31, 2010 | 12,954 | 279,835 | 38 | 280,318 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 76 | 1,603 | (2) | 4,040 |
| Total realized gain (loss) on investments and capital gains distributions | (629) | (1,333) | 3 | (1,850) |
| Net unrealized appreciation (depreciation) of investments | (1,115) | (40,362) | (10) | (1,848) |
| Net increase (decrease) in net assets from operations | (1,668) | (40,092) | (9) | 342 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (1,550) | (4,401) | 230 | (24,381) |
| Net increase (decrease) in assets derived from principal transactions | (1,550) | (4,401) | 230 | (24,381) |
| Total increase (decrease) in net assets | (3,218) | (44,493) | 221 | (24,039) |
| Net assets at December 31, 2011 | <u>\$ 9,736</u> | <u>\$ 235,342</u> | <u>\$ 259</u> | <u>\$ 256,279</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, 2011 and 2010
(Dollars in thousands)

| | Fidelity® VIP Growth Portfolio - Initial Class | Fidelity® VIP High Income Portfolio - Initial Class | Fidelity® VIP Overseas Portfolio - Initial Class | Fidelity® VIP Contrafund® Portfolio - Initial Class |
|--|---|--|---|--|
| Net assets at January 1, 2010 | \$ 190,848 | \$ 9,003 | \$ 35,651 | \$ 970,509 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (1,227) | 642 | 149 | 3,043 |
| Total realized gain (loss) on investments and capital gains distributions | (5,232) | (438) | (1,996) | 739 |
| Net unrealized appreciation (depreciation) of investments | 48,430 | 964 | 5,618 | 143,841 |
| Net increase (decrease) in net assets from operations | 41,971 | 1,168 | 3,771 | 147,623 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (7,093) | (214) | (3,082) | (59,313) |
| Net increase (decrease) in assets derived from principal transactions | (7,093) | (214) | (3,082) | (59,313) |
| Total increase (decrease) in net assets | 34,878 | 954 | 689 | 88,310 |
| Net assets at December 31, 2010 | 225,726 | 9,957 | 36,340 | 1,058,819 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (1,406) | 570 | 141 | 1,088 |
| Total realized gain (loss) on investments and capital gains distributions | (810) | 661 | (1,817) | 18,147 |
| Net unrealized appreciation (depreciation) of investments | 590 | (938) | (4,674) | (53,776) |
| Net increase (decrease) in net assets from operations | (1,626) | 293 | (6,350) | (34,541) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (9,588) | (521) | (2,005) | (35,947) |
| Net increase (decrease) in assets derived from principal transactions | (9,588) | (521) | (2,005) | (35,947) |
| Total increase (decrease) in net assets | (11,214) | (228) | (8,355) | (70,488) |
| Net assets at December 31, 2011 | <u>\$ 214,512</u> | <u>\$ 9,729</u> | <u>\$ 27,985</u> | <u>\$ 988,331</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, 2011 and 2010
(Dollars in thousands)

| | Fidelity® VIP Index 500 Portfolio - Initial Class | Fidelity® VIP Mid Cap Portfolio - Initial Class | Fidelity® VIP Asset ManagerSM Portfolio - Initial Class | Mutual Global Discovery Fund - Class R |
|--|--|--|---|---|
| Net assets at January 1, 2010 | \$ 95,244 | \$ 13,948 | \$ 20,099 | \$ 3,353 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 952 | 67 | 150 | 35 |
| Total realized gain (loss) on investments and capital gains distributions | 1,354 | (108) | 219 | (28) |
| Net unrealized appreciation (depreciation) of investments | 10,629 | 4,383 | 2,184 | 350 |
| Net increase (decrease) in net assets from operations | 12,935 | 4,342 | 2,553 | 357 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (1,930) | 2,241 | (644) | 178 |
| Net increase (decrease) in assets derived from principal transactions | (1,930) | 2,241 | (644) | 178 |
| Total increase (decrease) in net assets | 11,005 | 6,583 | 1,909 | 535 |
| Net assets at December 31, 2010 | 106,249 | 20,531 | 22,008 | 3,888 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 1,014 | 51 | 215 | 21 |
| Total realized gain (loss) on investments and capital gains distributions | 2,918 | (131) | 160 | (115) |
| Net unrealized appreciation (depreciation) of investments | (2,840) | (2,083) | (1,133) | (56) |
| Net increase (decrease) in net assets from operations | 1,092 | (2,163) | (758) | (150) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (3,999) | (258) | (406) | (938) |
| Net increase (decrease) in assets derived from principal transactions | (3,999) | (258) | (406) | (938) |
| Total increase (decrease) in net assets | (2,907) | (2,421) | (1,164) | (1,088) |
| Net assets at December 31, 2011 | <u>\$ 103,342</u> | <u>\$ 18,110</u> | <u>\$ 20,844</u> | <u>\$ 2,800</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, 2011 and 2010
(Dollars in thousands)

| | Franklin Small- Mid Cap Growth Fund - Class A | Franklin Small Cap Value Securities Fund - Class 2 | Fundamental InvestorsSM, Inc. - Class R-3 | Fundamental InvestorsSM, Inc. - Class R-4 |
|--|--|---|---|---|
| Net assets at January 1, 2010 | \$ 563 | \$ 86,667 | \$ 505 | \$ 21,781 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (5) | (105) | 3 | 137 |
| Total realized gain (loss) on investments and capital gains distributions | (52) | (1,773) | 33 | (164) |
| Net unrealized appreciation (depreciation) of investments | 199 | 25,893 | 48 | 3,646 |
| Net increase (decrease) in net assets from operations | 142 | 24,015 | 84 | 3,619 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (24) | 9,250 | 204 | 6,528 |
| Net increase (decrease) in assets derived from principal transactions | (24) | 9,250 | 204 | 6,528 |
| Total increase (decrease) in net assets | 118 | 33,265 | 288 | 10,147 |
| Net assets at December 31, 2010 | 681 | 119,932 | 793 | 31,928 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (6) | (186) | 8 | 245 |
| Total realized gain (loss) on investments and capital gains distributions | 37 | (1,827) | 19 | 698 |
| Net unrealized appreciation (depreciation) of investments | (68) | (3,581) | (53) | (1,960) |
| Net increase (decrease) in net assets from operations | (37) | (5,594) | (26) | (1,017) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 29 | (5,190) | 326 | 1,440 |
| Net increase (decrease) in assets derived from principal transactions | 29 | (5,190) | 326 | 1,440 |
| Total increase (decrease) in net assets | (8) | (10,784) | 300 | 423 |
| Net assets at December 31, 2011 | <u>\$ 673</u> | <u>\$ 109,148</u> | <u>\$ 1,093</u> | <u>\$ 32,351</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, 2011 and 2010
(Dollars in thousands)

| | The Growth Fund of America® - Class R-3 | The Growth Fund of America® - Class R-4 | The Hartford Capital Appreciation Fund - Class R4 | The Hartford Dividend And Growth Fund - Class R4 |
|--|--|--|--|---|
| Net assets at January 1, 2010 | \$ 15,280 | \$ 277,112 | \$ - | \$ - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (5) | 17 | - | - |
| Total realized gain (loss) on investments and capital gains distributions | (328) | 424 | 10 | 3 |
| Net unrealized appreciation (depreciation) of investments | 2,093 | 31,468 | 7 | 3 |
| Net increase (decrease) in net assets from operations | 1,760 | 31,909 | 17 | 6 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 540 | 4,612 | 173 | 40 |
| Net increase (decrease) in assets derived from principal transactions | 540 | 4,612 | 173 | 40 |
| Total increase (decrease) in net assets | 2,300 | 36,521 | 190 | 46 |
| Net assets at December 31, 2010 | 17,580 | 313,633 | 190 | 46 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (47) | (819) | 2 | - |
| Total realized gain (loss) on investments and capital gains distributions | (448) | 3,976 | (11) | 4 |
| Net unrealized appreciation (depreciation) of investments | (440) | (20,172) | (37) | (1) |
| Net increase (decrease) in net assets from operations | (935) | (17,015) | (46) | 3 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (2,280) | (24,918) | 29 | (21) |
| Net increase (decrease) in assets derived from principal transactions | (2,280) | (24,918) | 29 | (21) |
| Total increase (decrease) in net assets | (3,215) | (41,933) | (17) | (18) |
| Net assets at December 31, 2011 | <u>\$ 14,365</u> | <u>\$ 271,700</u> | <u>\$ 173</u> | <u>\$ 28</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, 2011 and 2010
(Dollars in thousands)

| | The Income Fund of America® - Class R-3 | ING Balanced Portfolio - Class I | ING Real Estate Fund - Class A | ING Value Choice Fund - Class A |
|--|--|---|---|--|
| Net assets at January 1, 2010 | \$ 1,778 | \$ 341,845 | \$ 1,611 | \$ - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 58 | 5,923 | 31 | - |
| Total realized gain (loss) on investments and capital gains distributions | (137) | (10,415) | (213) | - |
| Net unrealized appreciation (depreciation) of investments | 269 | 45,719 | 595 | - |
| Net increase (decrease) in net assets from operations | 190 | 41,227 | 413 | - |
| Changes from contract transactions: | | | | |
| Total unit transactions | (26) | (35,487) | (53) | - |
| Net increase (decrease) in assets derived from principal transactions | (26) | (35,487) | (53) | - |
| Total increase (decrease) in net assets | 164 | 5,740 | 360 | - |
| Net assets at December 31, 2010 | 1,942 | 347,585 | 1,971 | - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 60 | 5,494 | 29 | - |
| Total realized gain (loss) on investments and capital gains distributions | (28) | (5,218) | (24) | - |
| Net unrealized appreciation (depreciation) of investments | 58 | (7,468) | 188 | - |
| Net increase (decrease) in net assets from operations | 90 | (7,192) | 193 | - |
| Changes from contract transactions: | | | | |
| Total unit transactions | 89 | (41,132) | (66) | 3 |
| Net increase (decrease) in assets derived from principal transactions | 89 | (41,132) | (66) | 3 |
| Total increase (decrease) in net assets | 179 | (48,324) | 127 | 3 |
| Net assets at December 31, 2011 | <u>\$ 2,121</u> | <u>\$ 299,261</u> | <u>\$ 2,098</u> | <u>\$ 3</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, 2011 and 2010
(Dollars in thousands)

| | ING GNMA Income Fund - Class A | ING Intermediate Bond Fund - Class A | ING Intermediate Bond Portfolio - Class I | ING Intermediate Bond Portfolio - Class S |
|--|--------------------------------------|---|--|--|
| Net assets at January 1, 2010 | \$ 4,826 | \$ 3,799 | \$ 378,989 | \$ 349 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 145 | 178 | 15,515 | 23 |
| Total realized gain (loss) on investments and capital gains distributions | 123 | (67) | (7,111) | (3) |
| Net unrealized appreciation (depreciation) of investments | (40) | 224 | 25,001 | 16 |
| Net increase (decrease) in net assets from operations | 228 | 335 | 33,405 | 36 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (304) | (81) | (28,696) | 126 |
| Net increase (decrease) in assets derived from principal transactions | (304) | (81) | (28,696) | 126 |
| Total increase (decrease) in net assets | (76) | 254 | 4,709 | 162 |
| Net assets at December 31, 2010 | 4,750 | 4,053 | 383,698 | 511 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 151 | 136 | 13,746 | 37 |
| Total realized gain (loss) on investments and capital gains distributions | 51 | (75) | (5,443) | (1) |
| Net unrealized appreciation (depreciation) of investments | 93 | 183 | 15,698 | 4 |
| Net increase (decrease) in net assets from operations | 295 | 244 | 24,001 | 40 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (208) | (941) | (20,766) | 371 |
| Net increase (decrease) in assets derived from principal transactions | (208) | (941) | (20,766) | 371 |
| Total increase (decrease) in net assets | 87 | (697) | 3,235 | 411 |
| Net assets at December 31, 2011 | <u>\$ 4,837</u> | <u>\$ 3,356</u> | <u>\$ 386,933</u> | <u>\$ 922</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, 2011 and 2010
(Dollars in thousands)

| | ING Artio Foreign Portfolio - Service Class | ING BlackRock Health Sciences Opportunities Portfolio - Service Class | ING BlackRock Inflation Protected Bond Portfolio - Adviser Class | ING BlackRock Large Cap Growth Portfolio - Institutional Class |
|--|--|---|--|---|
| Net assets at January 1, 2010 | \$ 36,625 | \$ 9,719 | \$ - | \$ 79,020 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (327) | (82) | - | (429) |
| Total realized gain (loss) on investments and capital gains distributions | (4,263) | (395) | - | (3,264) |
| Net unrealized appreciation (depreciation) of investments | 6,190 | 1,056 | - | 13,099 |
| Net increase (decrease) in net assets from operations | 1,600 | 579 | - | 9,406 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (5,637) | (223) | - | (3,709) |
| Net increase (decrease) in assets derived from principal transactions | (5,637) | (223) | - | (3,709) |
| Total increase (decrease) in net assets | (4,037) | 356 | - | 5,697 |
| Net assets at December 31, 2010 | 32,588 | 10,075 | - | 84,717 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 234 | (32) | - | (376) |
| Total realized gain (loss) on investments and capital gains distributions | (4,044) | (154) | - | (3,154) |
| Net unrealized appreciation (depreciation) of investments | (2,699) | 371 | - | 1,013 |
| Net increase (decrease) in net assets from operations | (6,509) | 185 | - | (2,517) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (4,798) | 1,034 | 74 | (175) |
| Net increase (decrease) in assets derived from principal transactions | (4,798) | 1,034 | 74 | (175) |
| Total increase (decrease) in net assets | (11,307) | 1,219 | 74 | (2,692) |
| Net assets at December 31, 2011 | <u>\$ 21,281</u> | <u>\$ 11,294</u> | <u>\$ 74</u> | <u>\$ 82,025</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, 2011 and 2010
(Dollars in thousands)

| | ING BlackRock Large Cap Growth Portfolio - Service Class | ING BlackRock Large Cap Growth Portfolio - Service 2 Class | ING Clarion Global Real Estate Portfolio - Adviser Class | ING Clarion Global Real Estate Portfolio - Institutional Class |
|--|---|---|---|---|
| Net assets at January 1, 2010 | \$ 158 | \$ 177 | \$ - | \$ 50,442 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (1) | (1) | - | 4,305 |
| Total realized gain (loss) on investments and capital gains distributions | 24 | (2) | - | (757) |
| Net unrealized appreciation (depreciation) of investments | (5) | 24 | - | 4,316 |
| Net increase (decrease) in net assets from operations | 18 | 21 | - | 7,864 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 20 | 22 | - | 1,306 |
| Net increase (decrease) in assets derived from principal transactions | 20 | 22 | - | 1,306 |
| Total increase (decrease) in net assets | 38 | 43 | - | 9,170 |
| Net assets at December 31, 2010 | 196 | 220 | - | 59,612 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | - | - | 1,668 |
| Total realized gain (loss) on investments and capital gains distributions | 15 | 17 | - | (638) |
| Net unrealized appreciation (depreciation) of investments | (63) | (22) | - | (4,725) |
| Net increase (decrease) in net assets from operations | (48) | (5) | - | (3,695) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 403 | 46 | 2 | (356) |
| Net increase (decrease) in assets derived from principal transactions | 403 | 46 | 2 | (356) |
| Total increase (decrease) in net assets | 355 | 41 | 2 | (4,051) |
| Net assets at December 31, 2011 | <u>\$ 551</u> | <u>\$ 261</u> | <u>\$ 2</u> | <u>\$ 55,561</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, 2011 and 2010
(Dollars in thousands)

| | ING Clarion Real Estate Portfolio - Adviser Class | ING Clarion Real Estate Portfolio - Institutional Class | ING Clarion Real Estate Portfolio - Service Class | ING Core Growth and Income Portfolio - Service Class |
|--|--|--|--|---|
| Net assets at January 1, 2010 | \$ - | \$ 1,315 | \$ 26,610 | \$ 13,120 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | 43 | 860 | (114) |
| Total realized gain (loss) on investments and capital gains distributions | - | 196 | (4,332) | (872) |
| Net unrealized appreciation (depreciation) of investments | - | 78 | 11,063 | 2,984 |
| Net increase (decrease) in net assets from operations | - | 317 | 7,591 | 1,998 |
| Changes from contract transactions: | | | | |
| Total unit transactions | - | 292 | 7,058 | 6,557 |
| Net increase (decrease) in assets derived from principal transactions | - | 292 | 7,058 | 6,557 |
| Total increase (decrease) in net assets | - | 609 | 14,649 | 8,555 |
| Net assets at December 31, 2010 | - | 1,924 | 41,259 | 21,675 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | 25 | 218 | 171 |
| Total realized gain (loss) on investments and capital gains distributions | - | 8 | (2,248) | 633 |
| Net unrealized appreciation (depreciation) of investments | 1 | (32) | 5,563 | (2,702) |
| Net increase (decrease) in net assets from operations | 1 | 1 | 3,533 | (1,898) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 17 | 232 | 3,217 | (19,777) |
| Net increase (decrease) in assets derived from principal transactions | 17 | 232 | 3,217 | (19,777) |
| Total increase (decrease) in net assets | 18 | 233 | 6,750 | (21,675) |
| Net assets at December 31, 2011 | <u>\$ 18</u> | <u>\$ 2,157</u> | <u>\$ 48,009</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, 2011 and 2010
(Dollars in thousands)

| | ING FMRSM Diversified Mid Cap Portfolio - Service Class | ING FMRSM Diversified Mid Cap Portfolio - Service 2 Class | ING Global Resources Portfolio - Adviser Class | ING Global Resources Portfolio - Institutional Class |
|--|---|---|---|---|
| Net assets at January 1, 2010 | \$ 41,611 | \$ - | \$ - | \$ 27 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (354) | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | (231) | - | - | - |
| Net unrealized appreciation (depreciation) of investments | 13,243 | - | - | 6 |
| Net increase (decrease) in net assets from operations | 12,658 | - | - | 6 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 10,289 | - | - | - |
| Net increase (decrease) in assets derived from principal transactions | 10,289 | - | - | - |
| Total increase (decrease) in net assets | 22,947 | - | - | 6 |
| Net assets at December 31, 2010 | 64,558 | - | - | 33 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (427) | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | 560 | - | - | - |
| Net unrealized appreciation (depreciation) of investments | (8,253) | (2) | - | (3) |
| Net increase (decrease) in net assets from operations | (8,120) | (2) | - | (3) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 7,660 | 14 | 2 | - |
| Net increase (decrease) in assets derived from principal transactions | 7,660 | 14 | 2 | - |
| Total increase (decrease) in net assets | (460) | 12 | 2 | (3) |
| Net assets at December 31, 2011 | <u>\$ 64,098</u> | <u>\$ 12</u> | <u>\$ 2</u> | <u>\$ 30</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, 2011 and 2010
(Dollars in thousands)

| | ING Global Resources Portfolio - Service Class | ING Invesco Van Kampen Growth and Income Portfolio - Service Class | ING JPMorgan Emerging Markets Equity Portfolio - Adviser Class | ING JPMorgan Emerging Markets Equity Portfolio - Institutional Class |
|--|---|---|---|---|
| Net assets at January 1, 2010 | \$ 107,768 | \$ 18,265 | \$ 421 | \$ 36,901 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (30) | (119) | 1 | (87) |
| Total realized gain (loss) on investments and capital gains distributions | (2,227) | (1,307) | 123 | 2,401 |
| Net unrealized appreciation (depreciation) of investments | 23,964 | 3,672 | (67) | 3,861 |
| Net increase (decrease) in net assets from operations | 21,707 | 2,246 | 57 | 6,175 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 3,938 | 1,255 | (73) | (2,528) |
| Net increase (decrease) in assets derived from principal transactions | 3,938 | 1,255 | (73) | (2,528) |
| Total increase (decrease) in net assets | 25,645 | 3,501 | (16) | 3,647 |
| Net assets at December 31, 2010 | 133,413 | 21,766 | 405 | 40,548 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (586) | 76 | 2 | 46 |
| Total realized gain (loss) on investments and capital gains distributions | (2,422) | (1,313) | 20 | 161 |
| Net unrealized appreciation (depreciation) of investments | (11,822) | 746 | (91) | (7,213) |
| Net increase (decrease) in net assets from operations | (14,830) | (491) | (69) | (7,006) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 3,708 | (1,374) | (50) | (4,640) |
| Net increase (decrease) in assets derived from principal transactions | 3,708 | (1,374) | (50) | (4,640) |
| Total increase (decrease) in net assets | (11,122) | (1,865) | (119) | (11,646) |
| Net assets at December 31, 2011 | <u>\$ 122,291</u> | <u>\$ 19,901</u> | <u>\$ 286</u> | <u>\$ 28,902</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, 2011 and 2010
(Dollars in thousands)

| | ING JPMorgan Emerging Markets Equity Portfolio - Service Class | ING JPMorgan Small Cap Core Equity Portfolio - Adviser Class | ING JPMorgan Small Cap Core Equity Portfolio - Service Class | ING Large Cap Growth Portfolio - Adviser Class |
|--|--|--|--|---|
| Net assets at January 1, 2010 | \$ 30,187 | \$ - | \$ 3,617 | \$ - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (148) | - | (26) | - |
| Total realized gain (loss) on investments and capital gains distributions | 1,051 | - | (274) | - |
| Net unrealized appreciation (depreciation) of investments | 4,289 | - | 1,432 | - |
| Net increase (decrease) in net assets from operations | 5,192 | - | 1,132 | - |
| Changes from contract transactions: | | | | |
| Total unit transactions | (1,659) | - | 1,805 | - |
| Net increase (decrease) in assets derived from principal transactions | (1,659) | - | 1,805 | - |
| Total increase (decrease) in net assets | 3,533 | - | 2,937 | - |
| Net assets at December 31, 2010 | 33,720 | - | 6,554 | - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (50) | - | (33) | - |
| Total realized gain (loss) on investments and capital gains distributions | (611) | - | 87 | 7 |
| Net unrealized appreciation (depreciation) of investments | (5,305) | 1 | (223) | (7) |
| Net increase (decrease) in net assets from operations | (5,966) | 1 | (169) | - |
| Changes from contract transactions: | | | | |
| Total unit transactions | (3,860) | 8 | 2,329 | 113 |
| Net increase (decrease) in assets derived from principal transactions | (3,860) | 8 | 2,329 | 113 |
| Total increase (decrease) in net assets | (9,826) | 9 | 2,160 | 113 |
| Net assets at December 31, 2011 | <u>\$ 23,894</u> | <u>\$ 9</u> | <u>\$ 8,714</u> | <u>\$ 113</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, 2011 and 2010
(Dollars in thousands)

| | ING Large Cap Growth Portfolio - Institutional Class | ING Large Cap Growth Portfolio - Service Class | ING Large Cap Value Portfolio - Institutional Class | ING Large Cap Value Portfolio - Service Class |
|--|--|---|---|--|
| Net assets at January 1, 2010 | \$ - | \$ 378 | \$ 124,824 | \$ 3 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | (2) | 2,107 | - |
| Total realized gain (loss) on investments and capital gains distributions | - | 74 | (5,026) | - |
| Net unrealized appreciation (depreciation) of investments | - | 298 | 24,432 | - |
| Net increase (decrease) in net assets from operations | - | 370 | 21,513 | - |
| Changes from contract transactions: | | | | |
| Total unit transactions | - | 2,504 | (8,709) | - |
| Net increase (decrease) in assets derived from principal transactions | - | 2,504 | (8,709) | - |
| Total increase (decrease) in net assets | - | 2,874 | 12,804 | - |
| Net assets at December 31, 2010 | - | 3,252 | 137,628 | 3 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (799) | (3) | 261 | 4 |
| Total realized gain (loss) on investments and capital gains distributions | 8,067 | 397 | (4,607) | (2) |
| Net unrealized appreciation (depreciation) of investments | (6,976) | (374) | 8,059 | 4 |
| Net increase (decrease) in net assets from operations | 292 | 20 | 3,713 | 6 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 132,730 | (3,006) | 70,971 | 812 |
| Net increase (decrease) in assets derived from principal transactions | 132,730 | (3,006) | 70,971 | 812 |
| Total increase (decrease) in net assets | 133,022 | (2,986) | 74,684 | 818 |
| Net assets at December 31, 2011 | <u>\$ 133,022</u> | <u>\$ 266</u> | <u>\$ 212,312</u> | <u>\$ 821</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, 2011 and 2010
(Dollars in thousands)

| | ING Lord Abbett Growth and Income Portfolio - Institutional Class | ING Lord Abbett Growth and Income Portfolio - Service Class | ING Marsico Growth Portfolio - Institutional Class | ING Marsico Growth Portfolio - Service Class |
|--|--|---|--|---|
| Net assets at January 1, 2010 | \$ 79,642 | \$ 668 | \$ 7,384 | \$ 337 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (98) | - | (15) | (1) |
| Total realized gain (loss) on investments and capital gains distributions | (5,047) | (30) | (276) | (4) |
| Net unrealized appreciation (depreciation) of investments | 17,548 | 142 | 1,675 | 85 |
| Net increase (decrease) in net assets from operations | 12,403 | 112 | 1,384 | 80 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (3,534) | 27 | 410 | 105 |
| Net increase (decrease) in assets derived from principal transactions | (3,534) | 27 | 410 | 105 |
| Total increase (decrease) in net assets | 8,869 | 139 | 1,794 | 185 |
| Net assets at December 31, 2010 | 88,511 | 807 | 9,178 | 522 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 179 | - | (44) | (2) |
| Total realized gain (loss) on investments and capital gains distributions | (15,224) | (61) | (27) | 10 |
| Net unrealized appreciation (depreciation) of investments | 17,088 | 81 | (157) | (20) |
| Net increase (decrease) in net assets from operations | 2,043 | 20 | (228) | (12) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (90,554) | (827) | (151) | 60 |
| Net increase (decrease) in assets derived from principal transactions | (90,554) | (827) | (151) | 60 |
| Total increase (decrease) in net assets | (88,511) | (807) | (379) | 48 |
| Net assets at December 31, 2011 | \$ - | \$ - | \$ 8,799 | \$ 570 |

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, 2011 and 2010
(Dollars in thousands)

| | 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 |
|--|---|---|---|--|
| Net assets at January 1, 2010 | \$ 896 | \$ 58,354 | \$ 25,683 | \$ 34,116 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 1 | (303) | (152) | 615 |
| Total realized gain (loss) on investments and capital gains distributions | (11) | (1,760) | (1,270) | (1,630) |
| Net unrealized appreciation (depreciation) of investments | 97 | 7,173 | 3,542 | 5,171 |
| Net increase (decrease) in net assets from operations | 87 | 5,110 | 2,120 | 4,156 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 87 | (3,355) | (1,869) | (526) |
| Net increase (decrease) in assets derived from principal transactions | 87 | (3,355) | (1,869) | (526) |
| Total increase (decrease) in net assets | 174 | 1,755 | 251 | 3,630 |
| Net assets at December 31, 2010 | 1,070 | 60,109 | 25,934 | 37,746 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 24 | 986 | 352 | 1,076 |
| Total realized gain (loss) on investments and capital gains distributions | (22) | (1,658) | (606) | (916) |
| Net unrealized appreciation (depreciation) of investments | 4 | 1,199 | 399 | 1,806 |
| Net increase (decrease) in net assets from operations | 6 | 527 | 145 | 1,966 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 44 | (5,032) | (1,193) | 2,837 |
| Net increase (decrease) in assets derived from principal transactions | 44 | (5,032) | (1,193) | 2,837 |
| Total increase (decrease) in net assets | 50 | (4,505) | (1,048) | 4,803 |
| Net assets at December 31, 2011 | <u>\$ 1,120</u> | <u>\$ 55,604</u> | <u>\$ 24,886</u> | <u>\$ 42,549</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, 2011 and 2010
(Dollars in thousands)

| | ING Morgan Stanley Global Franchise Portfolio - Adviser Class | ING PIMCO High Yield Portfolio - Adviser Class | ING PIMCO High Yield Portfolio - Institutional Class | ING PIMCO High Yield Portfolio - Service Class |
|--|--|---|---|---|
| Net assets at January 1, 2010 | \$ - | \$ - | \$ 3,426 | \$ 12,663 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | - | 327 | 1,054 |
| Total realized gain (loss) on investments and capital gains distributions | - | - | 339 | 98 |
| Net unrealized appreciation (depreciation) of investments | - | - | (77) | 816 |
| Net increase (decrease) in net assets from operations | - | - | 589 | 1,968 |
| Changes from contract transactions: | | | | |
| Total unit transactions | - | - | 2,843 | 6,092 |
| Net increase (decrease) in assets derived from principal transactions | - | - | 2,843 | 6,092 |
| Total increase (decrease) in net assets | - | - | 3,432 | 8,060 |
| Net assets at December 31, 2010 | - | - | 6,858 | 20,723 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | 1 | 580 | 1,363 |
| Total realized gain (loss) on investments and capital gains distributions | - | - | 129 | 1,382 |
| Net unrealized appreciation (depreciation) of investments | 1 | - | (438) | (2,027) |
| Net increase (decrease) in net assets from operations | 1 | 1 | 271 | 718 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 14 | 28 | 2,971 | 2,166 |
| Net increase (decrease) in assets derived from principal transactions | 14 | 28 | 2,971 | 2,166 |
| Total increase (decrease) in net assets | 15 | 29 | 3,242 | 2,884 |
| Net assets at December 31, 2011 | <u>\$ 15</u> | <u>\$ 29</u> | <u>\$ 10,100</u> | <u>\$ 23,607</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, 2011 and 2010
(Dollars in thousands)

| | ING Pioneer Fund Portfolio - Institutional Class | ING Pioneer Fund Portfolio - Service Class | ING Pioneer Mid Cap Value Portfolio - Institutional Class | ING Pioneer Mid Cap Value Portfolio - Service Class |
|---|---|---|--|--|
| Net assets at January 1, 2010 | \$ 15,047 | \$ 353 | \$ 83,867 | \$ 342 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 119 | 2 | 210 | 1 |
| Total realized gain (loss) on investments and capital gains distributions | (533) | (8) | (2,637) | (16) |
| Net unrealized appreciation (depreciation) of investments | 2,908 | 66 | 16,329 | 75 |
| Net increase (decrease) in net assets from operations | 2,494 | 60 | 13,902 | 60 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 3,061 | 60 | (3,813) | (12) |
| Net increase (decrease) in assets derived from principal transactions | 3,061 | 60 | (3,813) | (12) |
| Total increase (decrease) in net assets | 5,555 | 120 | 10,089 | 48 |
| Net assets at December 31, 2010 | 20,602 | 473 | 93,956 | 390 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 186 | 1 | 548 | 2 |
| Total realized gain (loss) on investments and capital gains distributions | (427) | 50 | (2,171) | 4 |
| Net unrealized appreciation (depreciation) of investments | (844) | (90) | (3,502) | (34) |
| Net increase (decrease) in net assets from operations | (1,085) | (39) | (5,125) | (28) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 244 | (163) | (7,881) | (3) |
| Net increase (decrease) in assets derived from principal transactions | 244 | (163) | (7,881) | (3) |
| Total increase (decrease) in net assets | (841) | (202) | (13,006) | (31) |
| Net assets at December 31, 2011 | <u>\$ 19,761</u> | <u>\$ 271</u> | <u>\$ 80,950</u> | <u>\$ 359</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, 2011 and 2010
(Dollars in thousands)

| | ING T. Rowe Price Capital Appreciation Portfolio - Adviser 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, 2010 | \$ - | \$ 257,927 | \$ 1,389 | \$ 110,806 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | 2,665 | 13 | 774 |
| Total realized gain (loss) on investments and capital gains distributions | - | (2,355) | (182) | (8,294) |
| Net unrealized appreciation (depreciation) of investments | - | 38,194 | 340 | 20,675 |
| Net increase (decrease) in net assets from operations | - | 38,504 | 171 | 13,155 |
| Changes from contract transactions: | | | | |
| Total unit transactions | - | 56,411 | (206) | (17,747) |
| Net increase (decrease) in assets derived from principal transactions | - | 56,411 | (206) | (17,747) |
| Total increase (decrease) in net assets | - | 94,915 | (35) | (4,592) |
| Net assets at December 31, 2010 | - | 352,842 | 1,354 | 106,214 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 2 | 4,088 | 21 | 1,247 |
| Total realized gain (loss) on investments and capital gains distributions | (2) | (1,771) | (43) | (2,334) |
| Net unrealized appreciation (depreciation) of investments | (5) | 4,615 | (5) | (563) |
| Net increase (decrease) in net assets from operations | (5) | 6,932 | (27) | (1,650) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 151 | 36,323 | 120 | (4,394) |
| Net increase (decrease) in assets derived from principal transactions | 151 | 36,323 | 120 | (4,394) |
| Total increase (decrease) in net assets | 146 | 43,255 | 93 | (6,044) |
| Net assets at December 31, 2011 | <u>\$ 146</u> | <u>\$ 396,097</u> | <u>\$ 1,447</u> | <u>\$ 100,170</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, 2011 and 2010
(Dollars in thousands)

| | ING T. Rowe Price International Stock Portfolio - Adviser Class | ING T. Rowe Price International Stock Portfolio - Service Class | ING Templeton Global Growth Portfolio - Institutional Class | ING Templeton Global Growth Portfolio - Service Class |
|--|--|--|--|--|
| Net assets at January 1, 2010 | \$ 175 | \$ 8,576 | \$ 738 | \$ 3,525 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 1 | 39 | 6 | 17 |
| Total realized gain (loss) on investments and capital gains distributions | 2 | (1,557) | (66) | (356) |
| Net unrealized appreciation (depreciation) of investments | 9 | 2,407 | 107 | 564 |
| Net increase (decrease) in net assets from operations | 12 | 889 | 47 | 225 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (106) | (1,363) | (50) | (57) |
| Net increase (decrease) in assets derived from principal transactions | (106) | (1,363) | (50) | (57) |
| Total increase (decrease) in net assets | (94) | (474) | (3) | 168 |
| Net assets at December 31, 2010 | 81 | 8,102 | 735 | 3,693 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 3 | 197 | 7 | 26 |
| Total realized gain (loss) on investments and capital gains distributions | - | (539) | (39) | (194) |
| Net unrealized appreciation (depreciation) of investments | (16) | (697) | (15) | (177) |
| Net increase (decrease) in net assets from operations | (13) | (1,039) | (47) | (345) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 15 | (191) | 21 | 477 |
| Net increase (decrease) in assets derived from principal transactions | 15 | (191) | 21 | 477 |
| Total increase (decrease) in net assets | 2 | (1,230) | (26) | 132 |
| Net assets at December 31, 2011 | <u>\$ 83</u> | <u>\$ 6,872</u> | <u>\$ 709</u> | <u>\$ 3,825</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, 2011 and 2010
(Dollars in thousands)

| | ING U.S. Stock Index Portfolio - Institutional Class | ING Money Market Portfolio - Class I | ING Global Real Estate Fund - Class A | ING International Capital Appreciation Fund - Class I |
|--|--|---|---|---|
| Net assets at January 1, 2010 | \$ 3,952 | \$ 403,501 | \$ 24 | \$ 3 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 83 | (2,966) | 1 | - |
| Total realized gain (loss) on investments and capital gains distributions | (35) | 840 | - | - |
| Net unrealized appreciation (depreciation) of investments | 723 | - | 5 | 1 |
| Net increase (decrease) in net assets from operations | 771 | (2,126) | 6 | 1 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 1,298 | (58,815) | 18 | 7 |
| Net increase (decrease) in assets derived from principal transactions | 1,298 | (58,815) | 18 | 7 |
| Total increase (decrease) in net assets | 2,069 | (60,941) | 24 | 8 |
| Net assets at December 31, 2010 | 6,021 | 342,560 | 48 | 11 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 128 | (2,702) | 2 | - |
| Total realized gain (loss) on investments and capital gains distributions | 262 | 57 | - | 2 |
| Net unrealized appreciation (depreciation) of investments | (303) | - | (6) | (2) |
| Net increase (decrease) in net assets from operations | 87 | (2,645) | (4) | - |
| Changes from contract transactions: | | | | |
| Total unit transactions | 762 | 1,989 | 19 | (9) |
| Net increase (decrease) in assets derived from principal transactions | 762 | 1,989 | 19 | (9) |
| Total increase (decrease) in net assets | 849 | (656) | 15 | (9) |
| Net assets at December 31, 2011 | <u>\$ 6,870</u> | <u>\$ 341,904</u> | <u>\$ 63</u> | <u>\$ 2</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, 2011 and 2010
(Dollars in thousands)

| | ING International SmallCap Multi-Manager Fund - Class A | ING American Century Small- Mid Cap Value Portfolio - Adviser Class | ING American Century Small- Mid Cap Value Portfolio - Initial Class | ING American Century Small- Mid Cap Value Portfolio - Service Class |
|--|--|--|--|--|
| Net assets at January 1, 2010 | \$ 1,642 | \$ 52 | \$ - | \$ 35,995 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 3 | 1 | - | 117 |
| Total realized gain (loss) on investments and capital gains distributions | (353) | (1) | - | (1,193) |
| Net unrealized appreciation (depreciation) of investments | 709 | 13 | - | 8,757 |
| Net increase (decrease) in net assets from operations | 359 | 13 | - | 7,681 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (235) | 11 | - | 2,294 |
| Net increase (decrease) in assets derived from principal transactions | (235) | 11 | - | 2,294 |
| Total increase (decrease) in net assets | 124 | 24 | - | 9,975 |
| Net assets at December 31, 2010 | 1,766 | 76 | - | 45,970 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 17 | 1 | - | 147 |
| Total realized gain (loss) on investments and capital gains distributions | (116) | 1 | - | (248) |
| Net unrealized appreciation (depreciation) of investments | (150) | (7) | - | (1,622) |
| Net increase (decrease) in net assets from operations | (249) | (5) | - | (1,723) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (383) | 39 | 5 | (241) |
| Net increase (decrease) in assets derived from principal transactions | (383) | 39 | 5 | (241) |
| Total increase (decrease) in net assets | (632) | 34 | 5 | (1,964) |
| Net assets at December 31, 2011 | <u>\$ 1,134</u> | <u>\$ 110</u> | <u>\$ 5</u> | <u>\$ 44,006</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, 2011 and 2010
(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 - Adviser Class | ING Columbia Small Cap Value II Portfolio - Service Class |
|--|---|---|--|--|
| Net assets at January 1, 2010 | \$ 947 | \$ 100,316 | \$ 21 | \$ 1,441 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (4) | (890) | - | 7 |
| Total realized gain (loss) on investments and capital gains distributions | (5) | 1,891 | - | (51) |
| Net unrealized appreciation (depreciation) of investments | 258 | 23,742 | 5 | 459 |
| Net increase (decrease) in net assets from operations | 249 | 24,743 | 5 | 415 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 51 | (2,688) | - | 511 |
| Net increase (decrease) in assets derived from principal transactions | 51 | (2,688) | - | 511 |
| Total increase (decrease) in net assets | 300 | 22,055 | 5 | 926 |
| Net assets at December 31, 2010 | 1,247 | 122,371 | 26 | 2,367 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (4) | (1,037) | - | (17) |
| Total realized gain (loss) on investments and capital gains distributions | 15 | 3,341 | 11 | 362 |
| Net unrealized appreciation (depreciation) of investments | 5 | (906) | (32) | (528) |
| Net increase (decrease) in net assets from operations | 16 | 1,398 | (21) | (183) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (30) | (2,162) | 229 | 909 |
| Net increase (decrease) in assets derived from principal transactions | (30) | (2,162) | 229 | 909 |
| Total increase (decrease) in net assets | (14) | (764) | 208 | 726 |
| Net assets at December 31, 2011 | <u>\$ 1,233</u> | <u>\$ 121,607</u> | <u>\$ 234</u> | <u>\$ 3,093</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, 2011 and 2010
(Dollars in thousands)

| | ING Davis New York Venture Portfolio - Service Class | ING Fidelity® VIP Mid Cap Portfolio - Service Class | ING Global Bond Portfolio - Adviser Class | ING Global Bond Portfolio - Initial Class |
|--|---|--|--|--|
| Net assets at January 1, 2010 | \$ 12,781 | \$ 9,850 | \$ 239 | \$ 132,935 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (68) | 4 | 11 | 3,095 |
| Total realized gain (loss) on investments and capital gains distributions | (298) | (476) | 16 | 2,370 |
| Net unrealized appreciation (depreciation) of investments | 1,759 | 3,355 | 21 | 14,145 |
| Net increase (decrease) in net assets from operations | 1,393 | 2,883 | 48 | 19,610 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 266 | 1,366 | 184 | 2,143 |
| Net increase (decrease) in assets derived from principal transactions | 266 | 1,366 | 184 | 2,143 |
| Total increase (decrease) in net assets | 1,659 | 4,249 | 232 | 21,753 |
| Net assets at December 31, 2010 | 14,440 | 14,099 | 471 | 154,688 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 5 | (44) | 31 | 10,292 |
| Total realized gain (loss) on investments and capital gains distributions | (365) | (520) | 14 | 3,762 |
| Net unrealized appreciation (depreciation) of investments | (397) | (891) | (33) | (9,911) |
| Net increase (decrease) in net assets from operations | (757) | (1,455) | 12 | 4,143 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (1,768) | (4,674) | (70) | (3,294) |
| Net increase (decrease) in assets derived from principal transactions | (1,768) | (4,674) | (70) | (3,294) |
| Total increase (decrease) in net assets | (2,525) | (6,129) | (58) | 849 |
| Net assets at December 31, 2011 | <u>\$ 11,915</u> | <u>\$ 7,970</u> | <u>\$ 413</u> | <u>\$ 155,537</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, 2011 and 2010
(Dollars in thousands)

| | ING Global Bond Portfolio - Service Class | ING Index Solution 2015 Portfolio - Initial Class | ING Index Solution 2015 Portfolio - Service Class | ING Index Solution 2015 Portfolio - Service 2 Class |
|--|--|--|--|--|
| Net assets at January 1, 2010 | \$ 609 | \$ - | \$ - | \$ - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 18 | - | - | (2) |
| Total realized gain (loss) on investments and capital gains distributions | 6 | - | - | (1) |
| Net unrealized appreciation (depreciation) of investments | 78 | - | 3 | 31 |
| Net increase (decrease) in net assets from operations | 102 | - | 3 | 28 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 366 | - | 52 | 659 |
| Net increase (decrease) in assets derived from principal transactions | 366 | - | 52 | 659 |
| Total increase (decrease) in net assets | 468 | - | 55 | 687 |
| Net assets at December 31, 2010 | 1,077 | - | 55 | 687 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 100 | - | 2 | 10 |
| Total realized gain (loss) on investments and capital gains distributions | 119 | - | 5 | 28 |
| Net unrealized appreciation (depreciation) of investments | (194) | - | 5 | (42) |
| Net increase (decrease) in net assets from operations | 25 | - | 12 | (4) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (211) | 11 | 485 | 115 |
| Net increase (decrease) in assets derived from principal transactions | (211) | 11 | 485 | 115 |
| Total increase (decrease) in net assets | (186) | 11 | 497 | 111 |
| Net assets at December 31, 2011 | <u>\$ 891</u> | <u>\$ 11</u> | <u>\$ 552</u> | <u>\$ 798</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, 2011 and 2010
(Dollars in thousands)

| | ING Index Solution 2025 Portfolio - Initial Class | ING Index Solution 2025 Portfolio - Service Class | ING Index Solution 2025 Portfolio - Service 2 Class | ING Index Solution 2035 Portfolio - Initial Class |
|--|--|--|--|--|
| Net assets at January 1, 2010 | \$ - | \$ - | \$ - | \$ - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | - | (5) | - |
| Total realized gain (loss) on investments and capital gains distributions | - | - | (11) | - |
| Net unrealized appreciation (depreciation) of investments | - | 1 | 110 | - |
| Net increase (decrease) in net assets from operations | - | 1 | 94 | - |
| Changes from contract transactions: | | | | |
| Total unit transactions | - | 27 | 1,425 | - |
| Net increase (decrease) in assets derived from principal transactions | - | 27 | 1,425 | - |
| Total increase (decrease) in net assets | - | 28 | 1,519 | - |
| Net assets at December 31, 2010 | - | 28 | 1,519 | - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | 2 | 17 | - |
| Total realized gain (loss) on investments and capital gains distributions | - | (2) | 90 | - |
| Net unrealized appreciation (depreciation) of investments | 2 | (5) | (170) | 1 |
| Net increase (decrease) in net assets from operations | 2 | (5) | (63) | 1 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 76 | 26 | 547 | 41 |
| Net increase (decrease) in assets derived from principal transactions | 76 | 26 | 547 | 41 |
| Total increase (decrease) in net assets | 78 | 21 | 484 | 42 |
| Net assets at December 31, 2011 | <u>\$ 78</u> | <u>\$ 49</u> | <u>\$ 2,003</u> | <u>\$ 42</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, 2011 and 2010
(Dollars in thousands)

| | ING Index Solution 2035 Portfolio - Service Class | ING Index Solution 2035 Portfolio - Service 2 Class | ING Index Solution 2045 Portfolio - Initial Class | ING Index Solution 2045 Portfolio - Service Class |
|--|--|--|--|--|
| Net assets at January 1, 2010 | \$ - | \$ - | \$ - | \$ - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | (5) | - | - |
| Total realized gain (loss) on investments and capital gains distributions | - | (2) | - | - |
| Net unrealized appreciation (depreciation) of investments | 1 | 99 | - | - |
| Net increase (decrease) in net assets from operations | 1 | 92 | - | - |
| Changes from contract transactions: | | | | |
| Total unit transactions | 21 | 991 | - | 1 |
| Net increase (decrease) in assets derived from principal transactions | 21 | 991 | - | 1 |
| Total increase (decrease) in net assets | 22 | 1,083 | - | 1 |
| Net assets at December 31, 2010 | 22 | 1,083 | - | 1 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 1 | 9 | - | - |
| Total realized gain (loss) on investments and capital gains distributions | 7 | 67 | - | 1 |
| Net unrealized appreciation (depreciation) of investments | (10) | (151) | - | (2) |
| Net increase (decrease) in net assets from operations | (2) | (75) | - | (1) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 60 | 549 | 17 | 19 |
| Net increase (decrease) in assets derived from principal transactions | 60 | 549 | 17 | 19 |
| Total increase (decrease) in net assets | 58 | 474 | 17 | 18 |
| Net assets at December 31, 2011 | <u>\$ 80</u> | <u>\$ 1,557</u> | <u>\$ 17</u> | <u>\$ 19</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, 2011 and 2010
(Dollars in thousands)

| | ING Index Solution 2045 Portfolio - Service 2 Class | ING Index Solution 2055 Portfolio - Initial Class | ING Index Solution 2055 Portfolio - Service Class | ING Index Solution 2055 Portfolio - Service 2 Class |
|--|--|--|--|--|
| Net assets at January 1, 2010 | \$ - | \$ - | \$ - | \$ - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (2) | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | 1 | - | - | - |
| Net unrealized appreciation (depreciation) of investments | 58 | - | - | - |
| Net increase (decrease) in net assets from operations | 57 | - | - | - |
| Changes from contract transactions: | | | | |
| Total unit transactions | 527 | - | 3 | - |
| Net increase (decrease) in assets derived from principal transactions | 527 | - | 3 | - |
| Total increase (decrease) in net assets | 584 | - | 3 | - |
| Net assets at December 31, 2010 | 584 | - | 3 | - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 3 | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | 31 | - | - | - |
| Net unrealized appreciation (depreciation) of investments | (84) | - | (2) | (4) |
| Net increase (decrease) in net assets from operations | (50) | - | (2) | (4) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 389 | - | 63 | 57 |
| Net increase (decrease) in assets derived from principal transactions | 389 | - | 63 | 57 |
| Total increase (decrease) in net assets | 339 | - | 61 | 53 |
| Net assets at December 31, 2011 | <u>\$ 923</u> | <u>\$ -</u> | <u>\$ 64</u> | <u>\$ 53</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, 2011 and 2010
(Dollars in thousands)

| | ING Index Solution Income Portfolio - Service Class | ING Index Solution Income Portfolio - Service 2 Class | ING Invesco Van Kampen Comstock Portfolio - Adviser Class | ING Invesco Van Kampen Comstock Portfolio - Service Class |
|--|--|--|--|--|
| Net assets at January 1, 2010 | \$ - | \$ - | \$ 284 | \$ 51,283 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | - | 2 | 181 |
| Total realized gain (loss) on investments and capital gains distributions | - | - | (14) | (2,635) |
| Net unrealized appreciation (depreciation) of investments | - | 5 | 50 | 9,044 |
| Net increase (decrease) in net assets from operations | - | 5 | 38 | 6,590 |
| Changes from contract transactions: | | | | |
| Total unit transactions | - | 155 | (15) | (5,324) |
| Net increase (decrease) in assets derived from principal transactions | - | 155 | (15) | (5,324) |
| Total increase (decrease) in net assets | - | 160 | 23 | 1,266 |
| Net assets at December 31, 2010 | - | 160 | 307 | 52,549 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | 3 | 3 | 186 |
| Total realized gain (loss) on investments and capital gains distributions | (1) | 5 | (6) | (1,187) |
| Net unrealized appreciation (depreciation) of investments | 1 | (6) | (6) | (596) |
| Net increase (decrease) in net assets from operations | - | 2 | (9) | (1,597) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 645 | 24 | (1) | (4,283) |
| Net increase (decrease) in assets derived from principal transactions | 645 | 24 | (1) | (4,283) |
| Total increase (decrease) in net assets | 645 | 26 | (10) | (5,880) |
| Net assets at December 31, 2011 | <u>\$ 645</u> | <u>\$ 186</u> | <u>\$ 297</u> | <u>\$ 46,669</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, 2011 and 2010
(Dollars in thousands)

| | ING Invesco Van Kampen Equity and Income Portfolio - Adviser Class | ING Invesco Van Kampen Equity and Income Portfolio - Initial Class | ING Invesco Van Kampen Equity and Income Portfolio - Service Class | ING JPMorgan Mid Cap Value Portfolio - Adviser Class |
|--|---|---|---|---|
| Net assets at January 1, 2010 | \$ 492 | \$ 240,779 | \$ 149 | \$ 292 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 5 | 2,158 | 1 | 1 |
| Total realized gain (loss) on investments and capital gains distributions | (7) | (800) | (4) | (9) |
| Net unrealized appreciation (depreciation) of investments | 54 | 24,220 | 22 | 75 |
| Net increase (decrease) in net assets from operations | 52 | 25,578 | 19 | 67 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (21) | (16,616) | 46 | 19 |
| Net increase (decrease) in assets derived from principal transactions | (21) | (16,616) | 46 | 19 |
| Total increase (decrease) in net assets | 31 | 8,962 | 65 | 86 |
| Net assets at December 31, 2010 | 523 | 249,741 | 214 | 378 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 10 | 3,047 | 3 | 1 |
| Total realized gain (loss) on investments and capital gains distributions | (4) | 1,008 | - | (3) |
| Net unrealized appreciation (depreciation) of investments | (27) | (8,770) | (6) | 10 |
| Net increase (decrease) in net assets from operations | (21) | (4,715) | (3) | 8 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 147 | (16,193) | 18 | (78) |
| Net increase (decrease) in assets derived from principal transactions | 147 | (16,193) | 18 | (78) |
| Total increase (decrease) in net assets | 126 | (20,908) | 15 | (70) |
| Net assets at December 31, 2011 | <u>\$ 649</u> | <u>\$ 228,833</u> | <u>\$ 229</u> | <u>\$ 308</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, 2011 and 2010
(Dollars in thousands)

| | ING JPMorgan Mid Cap Value Portfolio - Service Class | ING Legg Mason ClearBridge Aggressive Growth Portfolio - Adviser Class | ING Legg Mason ClearBridge Aggressive Growth Portfolio - Initial Class | ING Legg Mason ClearBridge Aggressive Growth Portfolio - Service Class |
|---|---|---|---|---|
| Net assets at January 1, 2010 | \$ 26,549 | \$ 109 | \$ 102,928 | \$ 151 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (56) | - | (1,074) | (1) |
| Total realized gain (loss) on investments and capital gains distributions | (708) | 10 | (1,782) | (4) |
| Net unrealized appreciation (depreciation) of investments | 6,399 | 7 | 25,422 | 41 |
| Net increase (decrease) in net assets from operations | 5,635 | 17 | 22,566 | 36 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (1,232) | (35) | (6,335) | 7 |
| Net increase (decrease) in assets derived from principal transactions | (1,232) | (35) | (6,335) | 7 |
| Total increase (decrease) in net assets | 4,403 | (18) | 16,231 | 43 |
| Net assets at December 31, 2010 | 30,952 | 91 | 119,159 | 194 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (46) | - | 343 | - |
| Total realized gain (loss) on investments and capital gains distributions | (126) | 35 | 28,377 | 36 |
| Net unrealized appreciation (depreciation) of investments | 404 | (33) | (26,928) | (33) |
| Net increase (decrease) in net assets from operations | 232 | 2 | 1,792 | 3 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (501) | (93) | (120,951) | (197) |
| Net increase (decrease) in assets derived from principal transactions | (501) | (93) | (120,951) | (197) |
| Total increase (decrease) in net assets | (269) | (91) | (119,159) | (194) |
| Net assets at December 31, 2011 | <u>\$ 30,683</u> | <u>\$ -</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, 2011 and 2010
(Dollars in thousands)

| | ING Oppenheimer Global Portfolio - Adviser Class | ING Oppenheimer Global Portfolio - Initial Class | ING Oppenheimer Global Portfolio - Service Class | ING PIMCO Total Return Portfolio - Adviser Class |
|---|--|--|--|---|
| Net assets at January 1, 2010 | \$ 383 | \$ 549,793 | \$ 486 | \$ 1,215 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 5 | 3,605 | 3 | 49 |
| Total realized gain (loss) on investments and capital gains distributions | (13) | 1,619 | (24) | 29 |
| Net unrealized appreciation (depreciation) of investments | 69 | 72,360 | 102 | 15 |
| Net increase (decrease) in net assets from operations | 61 | 77,584 | 81 | 93 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 39 | (36,008) | 80 | 683 |
| Net increase (decrease) in assets derived from principal transactions | 39 | (36,008) | 80 | 683 |
| Total increase (decrease) in net assets | 100 | 41,576 | 161 | 776 |
| Net assets at December 31, 2010 | 483 | 591,369 | 647 | 1,991 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 4 | 2,744 | 2 | 58 |
| Total realized gain (loss) on investments and capital gains distributions | (1) | 6,978 | (18) | 122 |
| Net unrealized appreciation (depreciation) of investments | (55) | (59,637) | (50) | (125) |
| Net increase (decrease) in net assets from operations | (52) | (49,915) | (66) | 55 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 84 | (43,005) | 57 | 532 |
| Net increase (decrease) in assets derived from principal transactions | 84 | (43,005) | 57 | 532 |
| Total increase (decrease) in net assets | 32 | (92,920) | (9) | 587 |
| Net assets at December 31, 2011 | \$ 515 | \$ 498,449 | \$ 638 | \$ 2,578 |

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, 2011 and 2010
(Dollars in thousands)

| | ING PIMCO Total Return Portfolio - Initial Class | ING PIMCO Total Return Portfolio - Service Class | ING Pioneer High Yield Portfolio - Initial Class | ING Pioneer High Yield Portfolio - Service Class |
|--|---|---|---|---|
| Net assets at January 1, 2010 | \$ - | \$ 175,181 | 13,508 | \$ 181 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | 4,919 | 811 | 12 |
| Total realized gain (loss) on investments and capital gains distributions | - | 2,286 | 674 | (2) |
| Net unrealized appreciation (depreciation) of investments | - | 4,972 | 1,095 | 38 |
| Net increase (decrease) in net assets from operations | - | 12,177 | 2,580 | 48 |
| Changes from contract transactions: | | | | |
| Total unit transactions | - | 40,293 | 1,813 | 141 |
| Net increase (decrease) in assets derived from principal transactions | - | 40,293 | 1,813 | 141 |
| Total increase (decrease) in net assets | - | 52,470 | 4,393 | 189 |
| Net assets at December 31, 2010 | - | 227,651 | 17,901 | 370 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | 4,628 | 961 | 17 |
| Total realized gain (loss) on investments and capital gains distributions | - | 9,270 | 1,559 | 21 |
| Net unrealized appreciation (depreciation) of investments | 1 | (8,822) | (3,116) | (47) |
| Net increase (decrease) in net assets from operations | 1 | 5,076 | (596) | (9) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 77 | 201 | 1,886 | 32 |
| Net increase (decrease) in assets derived from principal transactions | 77 | 201 | 1,886 | 32 |
| Total increase (decrease) in net assets | 78 | 5,277 | 1,290 | 23 |
| Net assets at December 31, 2011 | <u>\$ 78</u> | <u>\$ 232,928</u> | <u>\$ 19,191</u> | <u>\$ 393</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, 2011 and 2010
(Dollars in thousands)

| | ING Solution 2015 Portfolio - Adviser Class | ING Solution 2015 Portfolio - Service Class | ING Solution 2015 Portfolio - Service 2 Class | ING Solution 2025 Portfolio - Adviser Class |
|--|--|--|--|--|
| Net assets at January 1, 2010 | \$ 14,444 | \$ 44,359 | \$ - | \$ 18,118 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (19) | 785 | 287 | (28) |
| Total realized gain (loss) on investments and capital gains distributions | (345) | (546) | (124) | (889) |
| Net unrealized appreciation (depreciation) of investments | 1,144 | 5,093 | 461 | 2,000 |
| Net increase (decrease) in net assets from operations | 780 | 5,332 | 624 | 1,083 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (14,712) | 9,063 | 14,114 | (18,850) |
| Net increase (decrease) in assets derived from principal transactions | (14,712) | 9,063 | 14,114 | (18,850) |
| Total increase (decrease) in net assets | (13,932) | 14,395 | 14,738 | (17,767) |
| Net assets at December 31, 2010 | 512 | 58,754 | 14,738 | 351 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 17 | 1,410 | 396 | 6 |
| Total realized gain (loss) on investments and capital gains distributions | 1 | (826) | 39 | 3 |
| Net unrealized appreciation (depreciation) of investments | (18) | (1,509) | (645) | (22) |
| Net increase (decrease) in net assets from operations | - | (925) | (210) | (13) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 293 | 2,499 | (616) | 49 |
| Net increase (decrease) in assets derived from principal transactions | 293 | 2,499 | (616) | 49 |
| Total increase (decrease) in net assets | 293 | 1,574 | (826) | 36 |
| Net assets at December 31, 2011 | <u>\$ 805</u> | <u>\$ 60,328</u> | <u>\$ 13,912</u> | <u>\$ 387</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, 2011 and 2010
(Dollars in thousands)

| | ING Solution 2025 Portfolio - Service Class | ING Solution 2025 Portfolio - Service 2 Class | ING Solution 2035 Portfolio - Adviser Class | ING Solution 2035 Portfolio - Service Class |
|--|--|--|--|--|
| Net assets at January 1, 2010 | \$ 64,506 | \$ - | \$ 16,062 | \$ 52,312 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 597 | 257 | (26) | 256 |
| Total realized gain (loss) on investments and capital gains distributions | (597) | (146) | (684) | (581) |
| Net unrealized appreciation (depreciation) of investments | 9,508 | 1,103 | 1,721 | 8,454 |
| Net increase (decrease) in net assets from operations | 9,508 | 1,214 | 1,011 | 8,129 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 12,525 | 18,994 | (16,694) | 9,561 |
| Net increase (decrease) in assets derived from principal transactions | 12,525 | 18,994 | (16,694) | 9,561 |
| Total increase (decrease) in net assets | 22,033 | 20,208 | (15,683) | 17,690 |
| Net assets at December 31, 2010 | 86,539 | 20,208 | 379 | 70,002 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 1,193 | 334 | 3 | 583 |
| Total realized gain (loss) on investments and capital gains distributions | (733) | 31 | 17 | (623) |
| Net unrealized appreciation (depreciation) of investments | (4,269) | (1,199) | (32) | (4,132) |
| Net increase (decrease) in net assets from operations | (3,809) | (834) | (12) | (4,172) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 9,476 | 301 | (29) | 10,637 |
| Net increase (decrease) in assets derived from principal transactions | 9,476 | 301 | (29) | 10,637 |
| Total increase (decrease) in net assets | 5,667 | (533) | (41) | 6,465 |
| Net assets at December 31, 2011 | <u>\$ 92,206</u> | <u>\$ 19,675</u> | <u>\$ 338</u> | <u>\$ 76,467</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, 2011 and 2010
(Dollars in thousands)

| | ING Solution 2035 Portfolio - Service 2 Class | ING Solution 2045 Portfolio - Adviser Class | ING Solution 2045 Portfolio - Service Class | ING Solution 2045 Portfolio - Service 2 Class |
|--|--|--|--|--|
| Net assets at January 1, 2010 | \$ - | \$ 11,165 | \$ 36,075 | \$ - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 167 | (16) | 44 | 95 |
| Total realized gain (loss) on investments and capital gains distributions | (153) | (642) | (480) | (41) |
| Net unrealized appreciation (depreciation) of investments | 1,097 | 1,370 | 6,501 | 992 |
| Net increase (decrease) in net assets from operations | 1,111 | 712 | 6,065 | 1,046 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 16,043 | (11,797) | 7,818 | 12,844 |
| Net increase (decrease) in assets derived from principal transactions | 16,043 | (11,797) | 7,818 | 12,844 |
| Total increase (decrease) in net assets | 17,154 | (11,085) | 13,883 | 13,890 |
| Net assets at December 31, 2010 | 17,154 | 80 | 49,958 | 13,890 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 186 | 1 | 203 | 107 |
| Total realized gain (loss) on investments and capital gains distributions | 60 | (1) | (452) | 71 |
| Net unrealized appreciation (depreciation) of investments | (1,232) | (12) | (3,077) | (1,028) |
| Net increase (decrease) in net assets from operations | (986) | (12) | (3,326) | (850) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 296 | 47 | 8,740 | 343 |
| Net increase (decrease) in assets derived from principal transactions | 296 | 47 | 8,740 | 343 |
| Total increase (decrease) in net assets | (690) | 35 | 5,414 | (507) |
| Net assets at December 31, 2011 | <u>\$ 16,464</u> | <u>\$ 115</u> | <u>\$ 55,372</u> | <u>\$ 13,383</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, 2011 and 2010
(Dollars in thousands)

| | ING Solution 2055 Portfolio - Service Class | ING Solution 2055 Portfolio - Service 2 Class | ING Solution Growth Portfolio - Service Class | ING Solution Income Portfolio - Adviser Class |
|--|--|--|--|--|
| Net assets at January 1, 2010 | \$ - | \$ - | \$ 737 | \$ 8,576 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | - | 3 | 15 |
| Total realized gain (loss) on investments and capital gains distributions | 1 | - | 23 | (259) |
| Net unrealized appreciation (depreciation) of investments | 13 | 18 | 94 | 622 |
| Net increase (decrease) in net assets from operations | 14 | 18 | 120 | 378 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 208 | 156 | 389 | (7,956) |
| Net increase (decrease) in assets derived from principal transactions | 208 | 156 | 389 | (7,956) |
| Total increase (decrease) in net assets | 222 | 174 | 509 | (7,578) |
| Net assets at December 31, 2010 | 222 | 174 | 1,246 | 998 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (4) | - | (10) | 11 |
| Total realized gain (loss) on investments and capital gains distributions | (36) | 8 | 84 | 81 |
| Net unrealized appreciation (depreciation) of investments | (22) | (25) | (145) | (75) |
| Net increase (decrease) in net assets from operations | (62) | (17) | (71) | 17 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 1,254 | 102 | 600 | (712) |
| Net increase (decrease) in assets derived from principal transactions | 1,254 | 102 | 600 | (712) |
| Total increase (decrease) in net assets | 1,192 | 85 | 529 | (695) |
| Net assets at December 31, 2011 | <u>\$ 1,414</u> | <u>\$ 259</u> | <u>\$ 1,775</u> | <u>\$ 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, 2011 and 2010
(Dollars in thousands)

| | ING Solution Income Portfolio - Service Class | ING Solution Income Portfolio - Service 2 Class | ING Solution Moderate Portfolio - Service Class | ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Adviser Class |
|--|--|--|--|---|
| Net assets at January 1, 2010 | \$ 9,378 | \$ - | \$ 1,529 | \$ 313 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 285 | 167 | 14 | (1) |
| Total realized gain (loss) on investments and capital gains distributions | (191) | (69) | 39 | (12) |
| Net unrealized appreciation (depreciation) of investments | 827 | 82 | 158 | 107 |
| Net increase (decrease) in net assets from operations | 921 | 180 | 211 | 94 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 2,213 | 4,869 | 747 | 44 |
| Net increase (decrease) in assets derived from principal transactions | 2,213 | 4,869 | 747 | 44 |
| Total increase (decrease) in net assets | 3,134 | 5,049 | 958 | 138 |
| Net assets at December 31, 2010 | 12,512 | 5,049 | 2,487 | 451 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 420 | 106 | (10) | (1) |
| Total realized gain (loss) on investments and capital gains distributions | (165) | 52 | 116 | - |
| Net unrealized appreciation (depreciation) of investments | (279) | (146) | (162) | (19) |
| Net increase (decrease) in net assets from operations | (24) | 12 | (56) | (20) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 1,269 | (2,415) | 587 | (22) |
| Net increase (decrease) in assets derived from principal transactions | 1,269 | (2,415) | 587 | (22) |
| Total increase (decrease) in net assets | 1,245 | (2,403) | 531 | (42) |
| Net assets at December 31, 2011 | <u>\$ 13,757</u> | <u>\$ 2,646</u> | <u>\$ 3,018</u> | <u>\$ 409</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, 2011 and 2010
(Dollars in thousands)

| | 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 assets at January 1, 2010 | \$ 281,756 | \$ 368 | \$ 1,070 | \$ 200,867 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (2,072) | (2) | (4) | (1,897) |
| Total realized gain (loss) on investments and capital gains distributions | (904) | (22) | (95) | 748 |
| Net unrealized appreciation (depreciation) of investments | 77,031 | 130 | 257 | 31,321 |
| Net increase (decrease) in net assets from operations | 74,055 | 106 | 158 | 30,172 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (10,504) | 88 | (33) | (7,611) |
| Net increase (decrease) in assets derived from principal transactions | (10,504) | 88 | (33) | (7,611) |
| Total increase (decrease) in net assets | 63,551 | 194 | 125 | 22,561 |
| Net assets at December 31, 2010 | 345,307 | 562 | 1,195 | 223,428 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (2,236) | (2) | (4) | (2,116) |
| Total realized gain (loss) on investments and capital gains distributions | 4,800 | 3 | - | 4,225 |
| Net unrealized appreciation (depreciation) of investments | (17,830) | (30) | (22) | (6,377) |
| Net increase (decrease) in net assets from operations | (15,266) | (29) | (26) | (4,268) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (20,513) | 47 | (30) | (10,444) |
| Net increase (decrease) in assets derived from principal transactions | (20,513) | 47 | (30) | (10,444) |
| Total increase (decrease) in net assets | (35,779) | 18 | (56) | (14,712) |
| Net assets at December 31, 2011 | <u>\$ 309,528</u> | <u>\$ 580</u> | <u>\$ 1,139</u> | <u>\$ 208,716</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, 2011 and 2010
(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 |
|--|--|---|---|---|
| Net assets at January 1, 2010 | \$ 1,598 | \$ 215 | \$ 94,024 | \$ 57 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (10) | 4 | 1,199 | 2 |
| Total realized gain (loss) on investments and capital gains distributions | (18) | (7) | (2,683) | (1) |
| Net unrealized appreciation (depreciation) of investments | 303 | 28 | 8,392 | 7 |
| Net increase (decrease) in net assets from operations | 275 | 25 | 6,908 | 8 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 149 | 84 | (4,550) | 23 |
| Net increase (decrease) in assets derived from principal transactions | 149 | 84 | (4,550) | 23 |
| Total increase (decrease) in net assets | 424 | 109 | 2,358 | 31 |
| Net assets at December 31, 2010 | 2,022 | 324 | 96,382 | 88 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (13) | 6 | 811 | 1 |
| Total realized gain (loss) on investments and capital gains distributions | (37) | (16) | (2,401) | 4 |
| Net unrealized appreciation (depreciation) of investments | 19 | (66) | (10,198) | (16) |
| Net increase (decrease) in net assets from operations | (31) | (76) | (11,788) | (11) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 62 | 209 | (6,603) | 9 |
| Net increase (decrease) in assets derived from principal transactions | 62 | 209 | (6,603) | 9 |
| Total increase (decrease) in net assets | 31 | 133 | (18,391) | (2) |
| Net assets at December 31, 2011 | <u>\$ 2,053</u> | <u>\$ 457</u> | <u>\$ 77,991</u> | <u>\$ 86</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, 2011 and 2010
(Dollars in thousands)

| | 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 |
|--|--|--|---|---|
| Net assets at January 1, 2010 | \$ 429 | \$ 89,807 | \$ 77 | \$ 76,337 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 4 | 448 | - | (77) |
| Total realized gain (loss) on investments and capital gains distributions | (37) | (358) | (3) | (535) |
| Net unrealized appreciation (depreciation) of investments | 66 | 8,535 | 12 | 9,219 |
| Net increase (decrease) in net assets from operations | 33 | 8,625 | 9 | 8,607 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (79) | (5,015) | (11) | (6,889) |
| Net increase (decrease) in assets derived from principal transactions | (79) | (5,015) | (11) | (6,889) |
| Total increase (decrease) in net assets | (46) | 3,610 | (2) | 1,718 |
| Net assets at December 31, 2010 | 383 | 93,417 | 75 | 78,055 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 1 | (248) | 1 | 43 |
| Total realized gain (loss) on investments and capital gains distributions | (4) | 402 | (1) | 551 |
| Net unrealized appreciation (depreciation) of investments | (106) | (13,250) | (3) | (3,017) |
| Net increase (decrease) in net assets from operations | (109) | (13,096) | (3) | (2,423) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 340 | (4,586) | 10 | (8,744) |
| Net increase (decrease) in assets derived from principal transactions | 340 | (4,586) | 10 | (8,744) |
| Total increase (decrease) in net assets | 231 | (17,682) | 7 | (11,167) |
| Net assets at December 31, 2011 | <u>\$ 614</u> | <u>\$ 75,735</u> | <u>\$ 82</u> | <u>\$ 66,888</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, 2011 and 2010
(Dollars in thousands)

| | ING UBS U.S. Large Cap Equity Portfolio - Service Class | ING Core Equity Research Fund - Class A | ING Strategic Allocation Conservative Portfolio - Class I | ING Strategic Allocation Growth Portfolio - Class I |
|--|---|--|---|---|
| Net assets at January 1, 2010 | 10 | \$ 129 | \$ 29,313 | \$ 60,353 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | - | 1,029 | 1,642 |
| Total realized gain (loss) on investments and capital gains distributions | - | 25 | (2,143) | (1,495) |
| Net unrealized appreciation (depreciation) of investments | 2 | (6) | 3,956 | 6,843 |
| Net increase (decrease) in net assets from operations | 2 | 19 | 2,842 | 6,990 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 4 | 52 | (1,553) | (1,810) |
| Net increase (decrease) in assets derived from principal transactions | 4 | 52 | (1,553) | (1,810) |
| Total increase (decrease) in net assets | 6 | 71 | 1,289 | 5,180 |
| Net assets at December 31, 2010 | 16 | 200 | 30,602 | 65,533 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | 1 | 968 | 1,063 |
| Total realized gain (loss) on investments and capital gains distributions | - | 7 | (1,365) | (1,850) |
| Net unrealized appreciation (depreciation) of investments | (1) | (9) | 618 | (1,687) |
| Net increase (decrease) in net assets from operations | (1) | (1) | 221 | (2,474) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 3 | (10) | 813 | (1,634) |
| Net increase (decrease) in assets derived from principal transactions | 3 | (10) | 813 | (1,634) |
| Total increase (decrease) in net assets | 2 | (11) | 1,034 | (4,108) |
| Net assets at December 31, 2011 | <u>\$ 18</u> | <u>\$ 189</u> | <u>\$ 31,636</u> | <u>\$ 61,425</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, 2011 and 2010
(Dollars in thousands)

| | ING Strategic Allocation Moderate Portfolio - Class I | ING Growth and Income Portfolio - Class A | ING Growth and Income Portfolio - Class I | ING Growth and Income Portfolio - Class S |
|--|---|--|--|--|
| Net assets at January 1, 2010 | \$ 56,060 | \$ 403 | \$ 1,084,132 | \$ 884 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 1,763 | 3 | 212 | 6 |
| Total realized gain (loss) on investments and capital gains distributions | (2,392) | (4) | (61,352) | (9) |
| Net unrealized appreciation (depreciation) of investments | 6,668 | 73 | 201,009 | 163 |
| Net increase (decrease) in net assets from operations | 6,039 | 72 | 139,869 | 160 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (598) | 131 | (46,384) | 423 |
| Net increase (decrease) in assets derived from principal transactions | (598) | 131 | (46,384) | 423 |
| Total increase (decrease) in net assets | 5,441 | 203 | 93,485 | 583 |
| Net assets at December 31, 2010 | 61,501 | 606 | 1,177,617 | 1,467 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 1,501 | 5 | 1,635 | 76 |
| Total realized gain (loss) on investments and capital gains distributions | (3,502) | - | (46,715) | 112 |
| Net unrealized appreciation (depreciation) of investments | 1,032 | (18) | 31,073 | (147) |
| Net increase (decrease) in net assets from operations | (969) | (13) | (14,007) | 41 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (2,651) | 263 | (119,461) | 5,746 |
| Net increase (decrease) in assets derived from principal transactions | (2,651) | 263 | (119,461) | 5,746 |
| Total increase (decrease) in net assets | (3,620) | 250 | (133,468) | 5,787 |
| Net assets at December 31, 2011 | <u>\$ 57,881</u> | <u>\$ 856</u> | <u>\$ 1,044,149</u> | <u>\$ 7,254</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, 2011 and 2010
(Dollars in thousands)

| | 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 |
|--|---|---|---|---|
| Net assets at January 1, 2010 | \$ 420 | \$ 1,981 | \$ 1,715 | \$ 350 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 1 | 7 | 10 | 2 |
| Total realized gain (loss) on investments and capital gains distributions | (73) | (41) | (87) | (2) |
| Net unrealized appreciation (depreciation) of investments | 71 | 39 | 94 | 3 |
| Net increase (decrease) in net assets from operations | (1) | 5 | 17 | 3 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (233) | (139) | (312) | (3) |
| Net increase (decrease) in assets derived from principal transactions | (233) | (139) | (312) | (3) |
| Total increase (decrease) in net assets | (234) | (134) | (295) | - |
| Net assets at December 31, 2010 | 186 | 1,847 | 1,420 | 350 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 3 | 34 | 9 | - |
| Total realized gain (loss) on investments and capital gains distributions | (33) | (410) | (125) | (5) |
| Net unrealized appreciation (depreciation) of investments | 27 | 341 | 98 | (2) |
| Net increase (decrease) in net assets from operations | (3) | (35) | (18) | (7) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (183) | (1,812) | (436) | (14) |
| Net increase (decrease) in assets derived from principal transactions | (183) | (1,812) | (436) | (14) |
| Total increase (decrease) in net assets | (186) | (1,847) | (454) | (21) |
| Net assets at December 31, 2011 | \$ - | \$ - | \$ 966 | \$ 329 |

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, 2011 and 2010
(Dollars in thousands)

| | 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 BlackRock Science and Technology Opportunities Portfolio - Adviser Class |
|--|--|---|---|---|
| Net assets at January 1, 2010 | \$ 141 | \$ 68 | \$ 31 | \$ - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 1 | 1 | - | - |
| Total realized gain (loss) on investments and capital gains distributions | (2) | (2) | - | - |
| Net unrealized appreciation (depreciation) of investments | 4 | 3 | 1 | - |
| Net increase (decrease) in net assets from operations | 3 | 2 | 1 | - |
| Changes from contract transactions: | | | | |
| Total unit transactions | (5) | (7) | (1) | - |
| Net increase (decrease) in assets derived from principal transactions | (5) | (7) | (1) | - |
| Total increase (decrease) in net assets | (2) | (5) | - | - |
| Net assets at December 31, 2010 | 139 | 63 | 31 | - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 1 | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | (11) | (4) | - | - |
| Net unrealized appreciation (depreciation) of investments | 8 | 3 | - | - |
| Net increase (decrease) in net assets from operations | (2) | (1) | - | - |
| Changes from contract transactions: | | | | |
| Total unit transactions | (38) | (15) | - | 2 |
| Net increase (decrease) in assets derived from principal transactions | (38) | (15) | - | 2 |
| Total increase (decrease) in net assets | (40) | (16) | - | 2 |
| Net assets at December 31, 2011 | <u>\$ 99</u> | <u>\$ 47</u> | <u>\$ 31</u> | <u>\$ 2</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, 2011 and 2010
(Dollars in thousands)

| | ING BlackRock Science and Technology Opportunities Portfolio - Class I | ING Index Plus LargeCap Portfolio - Class I | ING Index Plus LargeCap Portfolio - Class S | ING Index Plus MidCap Portfolio - Class I |
|--|---|--|--|--|
| Net assets at January 1, 2010 | \$ 42,053 | \$ 283,441 | \$ 375 | \$ 274,072 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (410) | 2,774 | 6 | 490 |
| Total realized gain (loss) on investments and capital gains distributions | 1,487 | (2,863) | (31) | (4,782) |
| Net unrealized appreciation (depreciation) of investments | 6,205 | 33,830 | 70 | 57,843 |
| Net increase (decrease) in net assets from operations | 7,282 | 33,741 | 45 | 53,551 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 1,095 | (25,051) | (72) | (19,970) |
| Net increase (decrease) in assets derived from principal transactions | 1,095 | (25,051) | (72) | (19,970) |
| Total increase (decrease) in net assets | 8,377 | 8,690 | (27) | 33,581 |
| Net assets at December 31, 2010 | 50,430 | 292,131 | 348 | 307,653 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (486) | 2,471 | 5 | (255) |
| Total realized gain (loss) on investments and capital gains distributions | 2,205 | 3,168 | (3) | (1,440) |
| Net unrealized appreciation (depreciation) of investments | (8,038) | (8,323) | (3) | (4,101) |
| Net increase (decrease) in net assets from operations | (6,319) | (2,684) | (1) | (5,796) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 1,647 | (26,596) | 36 | (21,402) |
| Net increase (decrease) in assets derived from principal transactions | 1,647 | (26,596) | 36 | (21,402) |
| Total increase (decrease) in net assets | (4,672) | (29,280) | 35 | (27,198) |
| Net assets at December 31, 2011 | <u>\$ 45,758</u> | <u>\$ 262,851</u> | <u>\$ 383</u> | <u>\$ 280,455</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 Changes in Net Assets
For the Years Ended December 31, 2011 and 2010
(Dollars in thousands)

| | ING Index Plus MidCap Portfolio - Class S | ING Index Plus SmallCap Portfolio - Class I | ING Index Plus SmallCap Portfolio - Class S | ING International Index Portfolio - Class I |
|--|--|--|--|---|
| Net assets at January 1, 2010 | \$ 472 | \$ 103,515 | \$ 122 | \$ 19,407 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 3 | (228) | 1 | 496 |
| Total realized gain (loss) on investments and capital gains distributions | (47) | (1,821) | (2) | 52 |
| Net unrealized appreciation (depreciation) of investments | 137 | 23,970 | 29 | 635 |
| Net increase (decrease) in net assets from operations | 93 | 21,921 | 28 | 1,183 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 25 | (2,526) | 4 | (439) |
| Net increase (decrease) in assets derived from principal transactions | 25 | (2,526) | 4 | (439) |
| Total increase (decrease) in net assets | 118 | 19,395 | 32 | 744 |
| Net assets at December 31, 2010 | 590 | 122,910 | 154 | 20,151 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 1 | (81) | - | 315 |
| Total realized gain (loss) on investments and capital gains distributions | 73 | (2,304) | 13 | 275 |
| Net unrealized appreciation (depreciation) of investments | (73) | 509 | (14) | (3,239) |
| Net increase (decrease) in net assets from operations | 1 | (1,876) | (1) | (2,649) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (202) | (10,497) | 28 | 51 |
| Net increase (decrease) in assets derived from principal transactions | (202) | (10,497) | 28 | 51 |
| Total increase (decrease) in net assets | (201) | (12,373) | 27 | (2,598) |
| Net assets at December 31, 2011 | <u>\$ 389</u> | <u>\$ 110,537</u> | <u>\$ 181</u> | <u>\$ 17,553</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, 2011 and 2010
(Dollars in thousands)

| | ING International Index Portfolio - Class S | ING Russell™ Large Cap Growth Index Portfolio - Class I | ING Russell™ Large Cap Growth Index Portfolio - Class S | ING Russell™ Large Cap Index Portfolio - Class I |
|---|---|---|---|--|
| Net assets at January 1, 2010 | \$ 19 | \$ 2,772 | \$ 353 | \$ 9,692 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 1 | (10) | - | 252 |
| Total realized gain (loss) on investments and capital gains distributions | - | 199 | 7 | 536 |
| Net unrealized appreciation (depreciation) of investments | (1) | 163 | 48 | 385 |
| Net increase (decrease) in net assets from operations | - | 352 | 55 | 1,173 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (6) | 717 | 100 | 852 |
| Net increase (decrease) in assets derived from principal transactions | (6) | 717 | 100 | 852 |
| Total increase (decrease) in net assets | (6) | 1,069 | 155 | 2,025 |
| Net assets at December 31, 2010 | 13 | 3,841 | 508 | 11,717 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | 12 | 3 | 78 |
| Total realized gain (loss) on investments and capital gains distributions | - | 358 | 75 | 400 |
| Net unrealized appreciation (depreciation) of investments | (2) | (231) | (64) | (256) |
| Net increase (decrease) in net assets from operations | (2) | 139 | 14 | 222 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (4) | 1,328 | 59 | 1,984 |
| Net increase (decrease) in assets derived from principal transactions | (4) | 1,328 | 59 | 1,984 |
| Total increase (decrease) in net assets | (6) | 1,467 | 73 | 2,206 |
| Net assets at December 31, 2011 | <u>\$ 7</u> | <u>\$ 5,308</u> | <u>\$ 581</u> | <u>\$ 13,923</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, 2011 and 2010
(Dollars in thousands)

| | ING Russell™ Large Cap Index Portfolio - Class S | ING Russell™ Large Cap Value Index Portfolio - Class I | ING Russell™ Large Cap Value Index Portfolio - Class S | ING Russell™ Mid Cap Growth Index Portfolio - Class S |
|--|--|--|--|---|
| Net assets at January 1, 2010 | \$ - | \$ 79 | \$ 1,952 | \$ 3,049 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | - | 11 | (22) |
| Total realized gain (loss) on investments and capital gains distributions | - | 13 | 310 | 120 |
| Net unrealized appreciation (depreciation) of investments | 1 | - | (124) | 721 |
| Net increase (decrease) in net assets from operations | 1 | 13 | 197 | 819 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 9 | 53 | 197 | 784 |
| Net increase (decrease) in assets derived from principal transactions | 9 | 53 | 197 | 784 |
| Total increase (decrease) in net assets | 10 | 66 | 394 | 1,603 |
| Net assets at December 31, 2010 | 10 | 145 | 2,346 | 4,652 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | - | 13 | (28) |
| Total realized gain (loss) on investments and capital gains distributions | - | 3 | 65 | 415 |
| Net unrealized appreciation (depreciation) of investments | - | (5) | (85) | (583) |
| Net increase (decrease) in net assets from operations | - | (2) | (7) | (196) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (1) | 41 | 456 | 751 |
| Net increase (decrease) in assets derived from principal transactions | (1) | 41 | 456 | 751 |
| Total increase (decrease) in net assets | (1) | 39 | 449 | 555 |
| Net assets at December 31, 2011 | <u>\$ 9</u> | <u>\$ 184</u> | <u>\$ 2,795</u> | <u>\$ 5,207</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, 2011 and 2010
(Dollars in thousands)

| | ING Russell™ Mid Cap Index Portfolio - Class I | ING Russell™ Small Cap Index Portfolio - Class I | ING Small Company Portfolio - Class I | ING Small Company Portfolio - Class S |
|--|---|---|--|--|
| Net assets at January 1, 2010 | \$ 3,562 | \$ 1,962 | \$ 107,672 | \$ 118 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (20) | (16) | (469) | - |
| Total realized gain (loss) on investments and capital gains distributions | 216 | 122 | (1,173) | - |
| Net unrealized appreciation (depreciation) of investments | 889 | 673 | 26,207 | 29 |
| Net increase (decrease) in net assets from operations | 1,085 | 779 | 24,565 | 29 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 1,856 | 2,521 | (2,577) | 2 |
| Net increase (decrease) in assets derived from principal transactions | 1,856 | 2,521 | (2,577) | 2 |
| Total increase (decrease) in net assets | 2,941 | 3,300 | 21,988 | 31 |
| Net assets at December 31, 2010 | 6,503 | 5,262 | 129,660 | 149 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 16 | (7) | (689) | (1) |
| Total realized gain (loss) on investments and capital gains distributions | 711 | 592 | (232) | 1 |
| Net unrealized appreciation (depreciation) of investments | (964) | (917) | (3,396) | (10) |
| Net increase (decrease) in net assets from operations | (237) | (332) | (4,317) | (10) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 1,518 | 1,798 | (8,433) | 45 |
| Net increase (decrease) in assets derived from principal transactions | 1,518 | 1,798 | (8,433) | 45 |
| Total increase (decrease) in net assets | 1,281 | 1,466 | (12,750) | 35 |
| Net assets at December 31, 2011 | <u>\$ 7,784</u> | <u>\$ 6,728</u> | <u>\$ 116,910</u> | <u>\$ 184</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, 2011 and 2010
(Dollars in thousands)

| | ING U.S. Bond Index Portfolio - Class I | ING International Value Portfolio - Class I | ING International Value Portfolio - Class S | ING MidCap Opportunities Portfolio - Class I |
|--|--|--|--|---|
| Net assets at January 1, 2010 | \$ 3,932 | \$ 105,099 | \$ 283 | \$ 12,935 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 78 | 1,145 | 4 | (25) |
| Total realized gain (loss) on investments and capital gains distributions | 137 | (21,063) | (34) | 295 |
| Net unrealized appreciation (depreciation) of investments | (18) | 20,244 | 34 | 4,338 |
| Net increase (decrease) in net assets from operations | 197 | 326 | 4 | 4,608 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 1,234 | (21,047) | (24) | 6,068 |
| Net increase (decrease) in assets derived from principal transactions | 1,234 | (21,047) | (24) | 6,068 |
| Total increase (decrease) in net assets | 1,431 | (20,721) | (20) | 10,676 |
| Net assets at December 31, 2010 | 5,363 | 84,378 | 263 | 23,611 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 88 | 1,313 | 5 | (279) |
| Total realized gain (loss) on investments and capital gains distributions | 159 | (12,879) | (30) | 483 |
| Net unrealized appreciation (depreciation) of investments | 88 | (145) | (13) | (1,052) |
| Net increase (decrease) in net assets from operations | 335 | (11,711) | (38) | (848) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 3,758 | (10,650) | (15) | 9,840 |
| Net increase (decrease) in assets derived from principal transactions | 3,758 | (10,650) | (15) | 9,840 |
| Total increase (decrease) in net assets | 4,093 | (22,361) | (53) | 8,992 |
| Net assets at December 31, 2011 | <u>\$ 9,456</u> | <u>\$ 62,017</u> | <u>\$ 210</u> | <u>\$ 32,603</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, 2011 and 2010
(Dollars in thousands)

| | ING MidCap Opportunities Portfolio - Class S | ING SmallCap Opportunities Portfolio - Class I | ING SmallCap Opportunities Portfolio - Class S | Invesco Mid Cap Core Equity Fund - Class A |
|--|---|---|---|---|
| Net assets at January 1, 2010 | \$ 276 | \$ 11,898 | \$ 60 | \$ 2,312 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 2 | (119) | (1) | (33) |
| Total realized gain (loss) on investments and capital gains distributions | 20 | (211) | (1) | 232 |
| Net unrealized appreciation (depreciation) of investments | 470 | 4,549 | 44 | 301 |
| Net increase (decrease) in net assets from operations | 492 | 4,219 | 42 | 500 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 1,746 | 4,584 | 111 | 2,303 |
| Net increase (decrease) in assets derived from principal transactions | 1,746 | 4,584 | 111 | 2,303 |
| Total increase (decrease) in net assets | 2,238 | 8,803 | 153 | 2,803 |
| Net assets at December 31, 2010 | 2,514 | 20,701 | 213 | 5,115 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (13) | (179) | - | (46) |
| Total realized gain (loss) on investments and capital gains distributions | 199 | 36 | 39 | 342 |
| Net unrealized appreciation (depreciation) of investments | (200) | 104 | (35) | (685) |
| Net increase (decrease) in net assets from operations | (14) | (39) | 4 | (389) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (444) | 1,336 | (131) | 165 |
| Net increase (decrease) in assets derived from principal transactions | (444) | 1,336 | (131) | 165 |
| Total increase (decrease) in net assets | (458) | 1,297 | (127) | (224) |
| Net assets at December 31, 2011 | <u>\$ 2,056</u> | <u>\$ 21,998</u> | <u>\$ 86</u> | <u>\$ 4,891</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, 2011 and 2010
(Dollars in thousands)

| | Invesco Small Cap Growth Fund - Class A | Invesco Endeavor Fund - Class A | Invesco Global Health Care Fund - Investor Class | Invesco U.S. Small Cap Value Fund - Class Y |
|--|--|--|---|--|
| Net assets at January 1, 2010 | \$ 31 | \$ - | \$ 164 | \$ 1,746 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | - | (2) | 15 |
| Total realized gain (loss) on investments and capital gains distributions | (2) | - | (3) | 252 |
| Net unrealized appreciation (depreciation) of investments | 10 | - | 11 | 693 |
| Net increase (decrease) in net assets from operations | 8 | - | 6 | 960 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 3 | - | 13 | 3,129 |
| Net increase (decrease) in assets derived from principal transactions | 3 | - | 13 | 3,129 |
| Total increase (decrease) in net assets | 11 | - | 19 | 4,089 |
| Net assets at December 31, 2010 | 42 | - | 183 | 5,835 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | - | (1) | - |
| Total realized gain (loss) on investments and capital gains distributions | (1) | - | 22 | 1,586 |
| Net unrealized appreciation (depreciation) of investments | (1) | - | (20) | (1,042) |
| Net increase (decrease) in net assets from operations | (2) | - | 1 | 544 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (8) | - | (8) | (6,379) |
| Net increase (decrease) in assets derived from principal transactions | (8) | - | (8) | (6,379) |
| Total increase (decrease) in net assets | (10) | - | (7) | (5,835) |
| Net assets at December 31, 2011 | <u>\$ 32</u> | <u>\$ -</u> | <u>\$ 176</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, 2011 and 2010
(Dollars in thousands)

| | Invesco Van Kampen Small Cap Value Fund - Class A | Invesco Van Kampen Small Cap Value Fund - Class Y | Invesco V.I. Capital Appreciation Fund - Series I Shares | Invesco V.I. Core Equity Fund - Series I Shares |
|--|--|--|---|--|
| Net assets at January 1, 2010 | \$ 72 | \$ - | \$ 20,643 | \$ 38,603 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (1) | - | (55) | (17) |
| Total realized gain (loss) on investments and capital gains distributions | 10 | - | (232) | 1,228 |
| Net unrealized appreciation (depreciation) of investments | 8 | - | 3,102 | 1,794 |
| Net increase (decrease) in net assets from operations | 17 | - | 2,815 | 3,005 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 31 | - | (1,096) | (3,200) |
| Net increase (decrease) in assets derived from principal transactions | 31 | - | (1,096) | (3,200) |
| Total increase (decrease) in net assets | 48 | - | 1,719 | (195) |
| Net assets at December 31, 2010 | 120 | - | 22,362 | 38,408 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (1) | - | (186) | (21) |
| Total realized gain (loss) on investments and capital gains distributions | 17 | 348 | (352) | 961 |
| Net unrealized appreciation (depreciation) of investments | (25) | (1,714) | (1,345) | (1,201) |
| Net increase (decrease) in net assets from operations | (9) | (1,366) | (1,883) | (261) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (29) | 10,193 | (1,478) | (3,357) |
| Net increase (decrease) in assets derived from principal transactions | (29) | 10,193 | (1,478) | (3,357) |
| Total increase (decrease) in net assets | (38) | 8,827 | (3,361) | (3,618) |
| Net assets at December 31, 2011 | <u>\$ 82</u> | <u>\$ 8,827</u> | <u>\$ 19,001</u> | <u>\$ 34,790</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, 2011 and 2010
(Dollars in thousands)

| | Janus Aspen Series Balanced Portfolio - Institutional Shares | Janus Aspen Series Enterprise Portfolio - Institutional Shares | Janus Aspen Series Flexible Bond Portfolio - Institutional Shares | Janus Aspen Series Janus Portfolio - Institutional Shares |
|--|---|---|--|--|
| Net assets at January 1, 2010 | \$ 261 | \$ 327 | \$ 62 | \$ 84 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 4 | (4) | 1 | - |
| Total realized gain (loss) on investments and capital gains distributions | 1 | (2) | 3 | (1) |
| Net unrealized appreciation (depreciation) of investments | 13 | 78 | - | 11 |
| Net increase (decrease) in net assets from operations | 18 | 72 | 4 | 10 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (37) | (36) | - | (12) |
| Net increase (decrease) in assets derived from principal transactions | (37) | (36) | - | (12) |
| Total increase (decrease) in net assets | (19) | 36 | 4 | (2) |
| Net assets at December 31, 2010 | 242 | 363 | 66 | 82 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 3 | (4) | 4 | (1) |
| Total realized gain (loss) on investments and capital gains distributions | 2 | 8 | 2 | (1) |
| Net unrealized appreciation (depreciation) of investments | (5) | (11) | (3) | (3) |
| Net increase (decrease) in net assets from operations | - | (7) | 3 | (5) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (91) | (34) | (4) | (20) |
| Net increase (decrease) in assets derived from principal transactions | (91) | (34) | (4) | (20) |
| Total increase (decrease) in net assets | (91) | (41) | (1) | (25) |
| Net assets at December 31, 2011 | <u>\$ 151</u> | <u>\$ 322</u> | <u>\$ 65</u> | <u>\$ 57</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, 2011 and 2010
(Dollars in thousands)

| | Janus Aspen Series Worldwide Portfolio - Institutional Shares | Lazard Emerging Markets Equity Portfolio - Open Shares | Lazard U.S. Mid Cap Equity Portfolio - Open Shares | LKCM Aquinas Growth Fund |
|--|--|---|---|-------------------------------------|
| Net assets at January 1, 2010 | \$ 172 | \$ - | \$ 1,162 | \$ 269 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (1) | - | 3 | (3) |
| Total realized gain (loss) on investments and capital gains distributions | (12) | - | 16 | 2 |
| Net unrealized appreciation (depreciation) of investments | 35 | - | 348 | 43 |
| Net increase (decrease) in net assets from operations | 22 | - | 367 | 42 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (30) | - | 1,037 | 5 |
| Net increase (decrease) in assets derived from principal transactions | (30) | - | 1,037 | 5 |
| Total increase (decrease) in net assets | (8) | - | 1,404 | 47 |
| Net assets at December 31, 2010 | 164 | - | 2,566 | 316 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (1) | - | (24) | (3) |
| Total realized gain (loss) on investments and capital gains distributions | (5) | - | 222 | 6 |
| Net unrealized appreciation (depreciation) of investments | (14) | - | (467) | - |
| Net increase (decrease) in net assets from operations | (20) | - | (269) | 3 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (30) | - | 1,496 | (28) |
| Net increase (decrease) in assets derived from principal transactions | (30) | - | 1,496 | (28) |
| Total increase (decrease) in net assets | (50) | - | 1,227 | (25) |
| Net assets at December 31, 2011 | <u>\$ 114</u> | <u>\$ -</u> | <u>\$ 3,793</u> | <u>\$ 291</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, 2011 and 2010
(Dollars in thousands)

| | Loomis Sayles Small Cap Value Fund - Retail Class | Lord Abbett Developing Growth Fund, Inc. - Class A | Lord Abbett Core Fixed Income Fund - Class A | Lord Abbett Mid-Cap Value Fund, Inc. - Class A |
|--|--|---|---|---|
| Net assets at January 1, 2010 | \$ 2,518 | \$ - | \$ - | \$ 1,054 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (14) | - | - | (7) |
| Total realized gain (loss) on investments and capital gains distributions | 125 | - | - | (53) |
| Net unrealized appreciation (depreciation) of investments | 675 | 2 | - | 337 |
| Net increase (decrease) in net assets from operations | 786 | 2 | - | 277 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 1,342 | 17 | 4 | 120 |
| Net increase (decrease) in assets derived from principal transactions | 1,342 | 17 | 4 | 120 |
| Total increase (decrease) in net assets | 2,128 | 19 | 4 | 397 |
| Net assets at December 31, 2010 | 4,646 | 19 | 4 | 1,451 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (62) | - | (1) | (11) |
| Total realized gain (loss) on investments and capital gains distributions | 282 | 4 | 1 | (95) |
| Net unrealized appreciation (depreciation) of investments | (505) | (7) | - | 42 |
| Net increase (decrease) in net assets from operations | (285) | (3) | - | (64) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 2,953 | 61 | 47 | (44) |
| Net increase (decrease) in assets derived from principal transactions | 2,953 | 61 | 47 | (44) |
| Total increase (decrease) in net assets | 2,668 | 58 | 47 | (108) |
| Net assets at December 31, 2011 | <u>\$ 7,314</u> | <u>\$ 77</u> | <u>\$ 51</u> | <u>\$ 1,343</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, 2011 and 2010
(Dollars in thousands)

| | Lord Abbett Small-Cap Value Fund - Class A | Lord Abbett Fundamental Equity Fund - Class A | Lord Abbett Series Fund - Mid-Cap Value Portfolio - Class VC | Massachusetts Investors Growth Stock Fund - Class A |
|--|---|--|---|--|
| Net assets at January 1, 2010 | \$ 1,330 | \$ - | \$ 88,200 | \$ 297 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (14) | - | (503) | - |
| Total realized gain (loss) on investments and capital gains distributions | (12) | - | (6,284) | (2) |
| Net unrealized appreciation (depreciation) of investments | 371 | - | 26,448 | 48 |
| Net increase (decrease) in net assets from operations | 345 | - | 19,661 | 46 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 76 | - | (9,522) | 28 |
| Net increase (decrease) in assets derived from principal transactions | 76 | - | (9,522) | 28 |
| Total increase (decrease) in net assets | 421 | - | 10,139 | 74 |
| Net assets at December 31, 2010 | 1,751 | - | 98,339 | 371 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (14) | - | (693) | (1) |
| Total realized gain (loss) on investments and capital gains distributions | (19) | 1 | (2,224) | - |
| Net unrealized appreciation (depreciation) of investments | (57) | (4) | (1,714) | 1 |
| Net increase (decrease) in net assets from operations | (90) | (3) | (4,631) | - |
| Changes from contract transactions: | | | | |
| Total unit transactions | (523) | 48 | (2,760) | 57 |
| Net increase (decrease) in assets derived from principal transactions | (523) | 48 | (2,760) | 57 |
| Total increase (decrease) in net assets | (613) | 45 | (7,391) | 57 |
| Net assets at December 31, 2011 | <u>\$ 1,138</u> | <u>\$ 45</u> | <u>\$ 90,948</u> | <u>\$ 428</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, 2011 and 2010
(Dollars in thousands)

| | Neuberger Berman Genesis Fund® - Trust Class | 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, 2010 | \$ - | \$ 3,772 | \$ 3,881 | \$ 59,419 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | (38) | 17 | 199 |
| Total realized gain (loss) on investments and capital gains distributions | - | (60) | (138) | (609) |
| Net unrealized appreciation (depreciation) of investments | - | 1,143 | 567 | 8,124 |
| Net increase (decrease) in net assets from operations | - | 1,045 | 446 | 7,714 |
| Changes from contract transactions: | | | | |
| Total unit transactions | - | 2,313 | (77) | 5,542 |
| Net increase (decrease) in assets derived from principal transactions | - | 2,313 | (77) | 5,542 |
| Total increase (decrease) in net assets | - | 3,358 | 369 | 13,256 |
| Net assets at December 31, 2010 | - | 7,130 | 4,250 | 72,675 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 1 | (36) | 14 | 114 |
| Total realized gain (loss) on investments and capital gains distributions | 1 | (63) | (102) | (887) |
| Net unrealized appreciation (depreciation) of investments | (2) | (508) | (228) | (5,523) |
| Net increase (decrease) in net assets from operations | - | (607) | (316) | (6,296) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 66 | 3,854 | (457) | 683 |
| Net increase (decrease) in assets derived from principal transactions | 66 | 3,854 | (457) | 683 |
| Total increase (decrease) in net assets | 66 | 3,247 | (773) | (5,613) |
| Net assets at December 31, 2011 | <u>\$ 66</u> | <u>\$ 10,377</u> | <u>\$ 3,477</u> | <u>\$ 67,062</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, 2011 and 2010
(Dollars in thousands)

| | Oppenheimer Capital Appreciation Fund - Class A | Oppenheimer Developing Markets Fund - Class A | Oppenheimer Gold & Special Minerals Fund - Class A | Oppenheimer International Bond Fund - Class A |
|--|--|--|---|--|
| Net assets at January 1, 2010 | \$ 538 | \$ 241,957 | \$ - | \$ - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (4) | (2,120) | 3 | 1 |
| Total realized gain (loss) on investments and capital gains distributions | (53) | (4,373) | 1 | - |
| Net unrealized appreciation (depreciation) of investments | 88 | 70,004 | (1) | - |
| Net increase (decrease) in net assets from operations | 31 | 63,511 | 3 | 1 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (113) | 20,247 | 35 | 51 |
| Net increase (decrease) in assets derived from principal transactions | (113) | 20,247 | 35 | 51 |
| Total increase (decrease) in net assets | (82) | 83,758 | 38 | 52 |
| Net assets at December 31, 2010 | 456 | 325,715 | 38 | 52 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (3) | 2,028 | - | 5 |
| Total realized gain (loss) on investments and capital gains distributions | 29 | (5,198) | (5) | - |
| Net unrealized appreciation (depreciation) of investments | (37) | (57,897) | (2) | (7) |
| Net increase (decrease) in net assets from operations | (11) | (61,067) | (7) | (2) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (45) | (5,151) | (24) | 84 |
| Net increase (decrease) in assets derived from principal transactions | (45) | (5,151) | (24) | 84 |
| Total increase (decrease) in net assets | (56) | (66,218) | (31) | 82 |
| Net assets at December 31, 2011 | \$ 400 | \$ 259,497 | \$ 7 | \$ 134 |

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, 2011 and 2010
(Dollars in thousands)

| | Oppenheimer Global Securities/VA | Oppenheimer Global Strategic Income Fund/VA | Oppenheimer Main Street Fund®/VA | Oppenheimer Main Street Small- & Mid- Cap Fund®/VA |
|--|---|--|---|---|
| Net assets at January 1, 2010 | \$ 273 | \$ 104 | \$ 72 | \$ 8,067 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 1 | 8 | - | (34) |
| Total realized gain (loss) on investments and capital gains distributions | (10) | - | (2) | (440) |
| Net unrealized appreciation (depreciation) of investments | 46 | 6 | 12 | 2,334 |
| Net increase (decrease) in net assets from operations | 37 | 14 | 10 | 1,860 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (29) | (6) | (8) | 297 |
| Net increase (decrease) in assets derived from principal transactions | (29) | (6) | (8) | 297 |
| Total increase (decrease) in net assets | 8 | 8 | 2 | 2,157 |
| Net assets at December 31, 2010 | 281 | 112 | 74 | 10,224 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | 3 | - | (34) |
| Total realized gain (loss) on investments and capital gains distributions | (8) | 2 | (1) | (165) |
| Net unrealized appreciation (depreciation) of investments | (13) | (5) | - | (85) |
| Net increase (decrease) in net assets from operations | (21) | - | (1) | (284) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (53) | (6) | (8) | (706) |
| Net increase (decrease) in assets derived from principal transactions | (53) | (6) | (8) | (706) |
| Total increase (decrease) in net assets | (74) | (6) | (9) | (990) |
| Net assets at December 31, 2011 | <u>\$ 207</u> | <u>\$ 106</u> | <u>\$ 65</u> | <u>\$ 9,234</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, 2011 and 2010
(Dollars in thousands)

| | Oppenheimer Small- & Mid- Cap Growth Fund/VA | Parnassus Equity Income Fund - Investor Shares | Pax World Balanced Fund - Individual Investor Class | PIMCO Real Return Portfolio - Administrative Class |
|--|---|---|--|---|
| Net assets at January 1, 2010 | \$ 15 | \$ - | \$ 54,186 | \$ 112,730 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | - | 285 | 744 |
| Total realized gain (loss) on investments and capital gains distributions | (1) | - | (1,725) | 2,208 |
| Net unrealized appreciation (depreciation) of investments | 5 | - | 6,485 | 5,842 |
| Net increase (decrease) in net assets from operations | 4 | - | 5,045 | 8,794 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (4) | - | (6,511) | 36,711 |
| Net increase (decrease) in assets derived from principal transactions | (4) | - | (6,511) | 36,711 |
| Total increase (decrease) in net assets | - | - | (1,466) | 45,505 |
| Net assets at December 31, 2010 | 15 | - | 52,720 | 158,235 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | - | 147 | 7,747 |
| Total realized gain (loss) on investments and capital gains distributions | - | 1 | (565) | 1,148 |
| Net unrealized appreciation (depreciation) of investments | 1 | 4 | (942) | 8,188 |
| Net increase (decrease) in net assets from operations | 1 | 5 | (1,360) | 17,083 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (5) | 37 | (3,874) | 26,594 |
| Net increase (decrease) in assets derived from principal transactions | (5) | 37 | (3,874) | 26,594 |
| Total increase (decrease) in net assets | (4) | 42 | (5,234) | 43,677 |
| Net assets at December 31, 2011 | <u>\$ 11</u> | <u>\$ 42</u> | <u>\$ 47,486</u> | <u>\$ 201,912</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, 2011 and 2010
(Dollars in thousands)

| | Pioneer High Yield Fund - Class A | Pioneer Strategic Income Fund - Class A | Pioneer Emerging Markets VCT Portfolio - Class I | Pioneer High Yield VCT Portfolio - Class I |
|--|--|--|---|---|
| Net assets at January 1, 2010 | \$ 4,675 | \$ - | \$ 27,443 | \$ 19,842 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 224 | - | (109) | 948 |
| Total realized gain (loss) on investments and capital gains distributions | (182) | - | (4,253) | (334) |
| Net unrealized appreciation (depreciation) of investments | 687 | - | 7,974 | 2,684 |
| Net increase (decrease) in net assets from operations | 729 | - | 3,612 | 3,298 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (448) | - | (2,319) | (150) |
| Net increase (decrease) in assets derived from principal transactions | (448) | - | (2,319) | (150) |
| Total increase (decrease) in net assets | 281 | - | 1,293 | 3,148 |
| Net assets at December 31, 2010 | 4,956 | - | 28,736 | 22,990 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 221 | 3 | (143) | 1,045 |
| Total realized gain (loss) on investments and capital gains distributions | (102) | 2 | (1,131) | (258) |
| Net unrealized appreciation (depreciation) of investments | (203) | (6) | (4,864) | (1,515) |
| Net increase (decrease) in net assets from operations | (84) | (1) | (6,138) | (728) |
| Changes from contract transactions: | | | | |
| Total unit transactions | (513) | 249 | (4,926) | 1,153 |
| Net increase (decrease) in assets derived from principal transactions | (513) | 249 | (4,926) | 1,153 |
| Total increase (decrease) in net assets | (597) | 248 | (11,064) | 425 |
| Net assets at December 31, 2011 | <u>\$ 4,359</u> | <u>\$ 248</u> | <u>\$ 17,672</u> | <u>\$ 23,415</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, 2011 and 2010
(Dollars in thousands)

| | Pioneer Mid Cap Value VCT Portfolio - Class I | Columbia Diversified Equity Income Fund - Class R-3 | Columbia Diversified Equity Income Fund - Class R-4 | Royce Total Return Fund - Class K |
|--|--|--|--|--|
| Net assets at January 1, 2010 | \$ - | \$ 233 | \$ 3,222 | \$ - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | 1 | 21 | - |
| Total realized gain (loss) on investments and capital gains distributions | - | 14 | 87 | - |
| Net unrealized appreciation (depreciation) of investments | - | 2 | 529 | - |
| Net increase (decrease) in net assets from operations | - | 17 | 637 | - |
| Changes from contract transactions: | | | | |
| Total unit transactions | - | (90) | 1,470 | - |
| Net increase (decrease) in assets derived from principal transactions | - | (90) | 1,470 | - |
| Total increase (decrease) in net assets | - | (73) | 2,107 | - |
| Net assets at December 31, 2010 | - | 160 | 5,329 | - |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | 1 | 45 | - |
| Total realized gain (loss) on investments and capital gains distributions | - | 13 | 421 | - |
| Net unrealized appreciation (depreciation) of investments | - | (17) | (904) | - |
| Net increase (decrease) in net assets from operations | - | (3) | (438) | - |
| Changes from contract transactions: | | | | |
| Total unit transactions | - | (89) | 972 | - |
| Net increase (decrease) in assets derived from principal transactions | - | (89) | 972 | - |
| Total increase (decrease) in net assets | - | (92) | 534 | - |
| Net assets at December 31, 2011 | <u>\$ -</u> | <u>\$ 68</u> | <u>\$ 5,863</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, 2011 and 2010
(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, 2010 | \$ 2,698 | \$ 999 | \$ 109 | \$ 1,146 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 51 | 4 | 2 | 10 |
| Total realized gain (loss) on investments and capital gains distributions | 565 | (70) | (2) | (412) |
| Net unrealized appreciation (depreciation) of investments | 434 | 188 | 21 | 469 |
| Net increase (decrease) in net assets from operations | 1,050 | 122 | 21 | 67 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 3,248 | (318) | 33 | (110) |
| Net increase (decrease) in assets derived from principal transactions | 3,248 | (318) | 33 | (110) |
| Total increase (decrease) in net assets | 4,298 | (196) | 54 | (43) |
| Net assets at December 31, 2010 | 6,996 | 803 | 163 | 1,103 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (45) | (2) | - | 21 |
| Total realized gain (loss) on investments and capital gains distributions | 362 | 25 | (7) | 8 |
| Net unrealized appreciation (depreciation) of investments | (1,543) | (65) | - | (196) |
| Net increase (decrease) in net assets from operations | (1,226) | (42) | (7) | (167) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 902 | (136) | 17 | 152 |
| Net increase (decrease) in assets derived from principal transactions | 902 | (136) | 17 | 152 |
| Total increase (decrease) in net assets | (324) | (178) | 10 | (15) |
| Net assets at December 31, 2011 | <u>\$ 6,672</u> | <u>\$ 625</u> | <u>\$ 173</u> | <u>\$ 1,088</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, 2011 and 2010
(Dollars in thousands)

| | Templeton Global Bond Fund - Class A | Thornburg International Value Fund - Class R4 | USAA Precious Metals and Minerals Fund - Adviser Shares | Diversified Value Portfolio |
|--|---|--|--|--|
| Net assets at January 1, 2010 | \$ 155,610 | \$ - | \$ - | \$ 84 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 8,320 | - | - | 1 |
| Total realized gain (loss) on investments and capital gains distributions | 1,697 | - | - | (3) |
| Net unrealized appreciation (depreciation) of investments | 9,811 | - | - | 8 |
| Net increase (decrease) in net assets from operations | 19,828 | - | - | 6 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 32,356 | - | - | (4) |
| Net increase (decrease) in assets derived from principal transactions | 32,356 | - | - | (4) |
| Total increase (decrease) in net assets | 52,184 | - | - | 2 |
| Net assets at December 31, 2010 | 207,794 | - | - | 86 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 10,907 | 1 | (18) | 1 |
| Total realized gain (loss) on investments and capital gains distributions | 4,488 | - | 471 | (1) |
| Net unrealized appreciation (depreciation) of investments | (22,866) | (9) | (1,523) | 3 |
| Net increase (decrease) in net assets from operations | (7,471) | (8) | (1,070) | 3 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 9,064 | 63 | 5,893 | (7) |
| Net increase (decrease) in assets derived from principal transactions | 9,064 | 63 | 5,893 | (7) |
| Total increase (decrease) in net assets | 1,593 | 55 | 4,823 | (4) |
| Net assets at December 31, 2011 | <u>\$ 209,387</u> | <u>\$ 55</u> | <u>\$ 4,823</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 Changes in Net Assets
For the Years Ended December 31, 2011 and 2010
(Dollars in thousands)

| | Equity Income Portfolio | Small Company Growth Portfolio | Victory Small Company Opportunity Fund - Class R | Wanger International |
|--|------------------------------------|---|---|---------------------------------|
| Net assets at January 1, 2010 | \$ 225 | \$ 93 | \$ - | \$ 14,434 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 4 | (1) | - | 361 |
| Total realized gain (loss) on investments and capital gains distributions | (5) | (6) | - | (557) |
| Net unrealized appreciation (depreciation) of investments | 36 | 32 | - | 4,600 |
| Net increase (decrease) in net assets from operations | 35 | 25 | - | 4,404 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 43 | (8) | - | 7,060 |
| Net increase (decrease) in assets derived from principal transactions | 43 | (8) | - | 7,060 |
| Total increase (decrease) in net assets | 78 | 17 | - | 11,464 |
| Net assets at December 31, 2010 | 303 | 110 | - | 25,898 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 4 | (1) | - | 1,059 |
| Total realized gain (loss) on investments and capital gains distributions | (10) | (1) | - | 425 |
| Net unrealized appreciation (depreciation) of investments | 34 | 2 | - | (5,864) |
| Net increase (decrease) in net assets from operations | 28 | - | - | (4,380) |
| Changes from contract transactions: | | | | |
| Total unit transactions | 20 | (18) | 1 | 3,110 |
| Net increase (decrease) in assets derived from principal transactions | 20 | (18) | 1 | 3,110 |
| Total increase (decrease) in net assets | 48 | (18) | 1 | (1,270) |
| Net assets at December 31, 2011 | <u>\$ 351</u> | <u>\$ 92</u> | <u>\$ 1</u> | <u>\$ 24,628</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, 2011 and 2010
(Dollars in thousands)

| | Wanger Select | Wanger USA | Washington Mutual Investors FundSM, Inc. - Class R-3 | Washington Mutual Investors FundSM, Inc. - Class R-4 |
|--|----------------------|-------------------|--|--|
| Net assets at January 1, 2010 | \$ 68,682 | \$ 24,191 | \$ 4,173 | \$ 74,999 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | (228) | (249) | 58 | 1,052 |
| Total realized gain (loss) on investments and capital gains distributions | 191 | (533) | (226) | (1,504) |
| Net unrealized appreciation (depreciation) of investments | 19,678 | 6,881 | 658 | 9,427 |
| Net increase (decrease) in net assets from operations | 19,641 | 6,099 | 490 | 8,975 |
| Changes from contract transactions: | | | | |
| Total unit transactions | 14,547 | 5,606 | (148) | (1,501) |
| Net increase (decrease) in assets derived from principal transactions | 14,547 | 5,606 | (148) | (1,501) |
| Total increase (decrease) in net assets | 34,188 | 11,705 | 342 | 7,474 |
| Net assets at December 31, 2010 | 102,870 | 35,896 | 4,515 | 82,473 |
| Increase (decrease) in net assets from operations | | | | |
| Operations: | | | | |
| Net investment income (loss) | 1,284 | (341) | 61 | 1,055 |
| Total realized gain (loss) on investments and capital gains distributions | 115 | 3,042 | (238) | (372) |
| Net unrealized appreciation (depreciation) of investments | (19,640) | (4,528) | 439 | 4,272 |
| Net increase (decrease) in net assets from operations | (18,241) | (1,827) | 262 | 4,955 |
| Changes from contract transactions: | | | | |
| Total unit transactions | (6,253) | 6,065 | (312) | 409 |
| Net increase (decrease) in assets derived from principal transactions | (6,253) | 6,065 | (312) | 409 |
| Total increase (decrease) in net assets | (24,494) | 4,238 | (50) | 5,364 |
| Net assets at December 31, 2011 | <u>\$ 78,376</u> | <u>\$ 40,134</u> | <u>\$ 4,465</u> | <u>\$ 87,837</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, 2011 and 2010
(Dollars in thousands)

| | Wells Fargo Advantage Small Cap Value Fund - Class A | Wells Fargo Advantage Special Small Cap Values Fund - Class A |
|--|---|--|
| Net assets at January 1, 2010 | \$ 88 | \$ 82,713 |
| Increase (decrease) in net assets from operations | | |
| Operations: | | |
| Net investment income (loss) | - | (886) |
| Total realized gain (loss) on investments and capital gains distributions | (2) | (4,905) |
| Net unrealized appreciation (depreciation) of investments | 20 | 22,926 |
| Net increase (decrease) in net assets from operations | 18 | 17,135 |
| Changes from contract transactions: | | |
| Total unit transactions | 12 | (683) |
| Net increase (decrease) in assets derived from principal transactions | 12 | (683) |
| Total increase (decrease) in net assets | 30 | 16,452 |
| Net assets at December 31, 2010 | 118 | 99,165 |
| Increase (decrease) in net assets from operations | | |
| Operations: | | |
| Net investment income (loss) | (1) | (932) |
| Total realized gain (loss) on investments and capital gains distributions | (2) | (2,970) |
| Net unrealized appreciation (depreciation) of investments | (9) | 958 |
| Net increase (decrease) in net assets from operations | (12) | (2,944) |
| Changes from contract transactions: | | |
| Total unit transactions | 2 | (7,155) |
| Net increase (decrease) in assets derived from principal transactions | 2 | (7,155) |
| Total increase (decrease) in net assets | (10) | (10,099) |
| Net assets at December 31, 2011 | <u>\$ 108</u> | <u>\$ 89,066</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. (“ING”), a global financial services holding company based in The Netherlands.

As part of a restructuring plan approved by the European Commission, ING has agreed to separate its banking and insurance businesses by 2013. ING intends to achieve this separation by divestment of its insurance and investment management operations, including the Company. ING has announced that it will explore all options for implementing the separation including one or more initial public offerings, sales, or a combination thereof. On November 10, 2010, ING announced that ING and its U.S. insurance affiliates, including the Company, are preparing for a base case of an initial public offering of the Company and its U.S.-based insurance and investment management affiliates.

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 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. Under applicable insurance law, the assets and liabilities of the Account are clearly identified and distinguished from the other assets and liabilities of ILIAC.

At December 31, 2011, the Account had 295 investment divisions (the “Divisions”), 117 of which invest in independently managed mutual funds and 178 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, 2011 and related Trusts are as follows:

The Alger Funds II:

Alger Green Fund - Class A
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 Dividend Value Fund - Class A
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

VARIABLE ANNUITY ACCOUNT C OF ING LIFE INSURANCE AND ANNUITY COMPANY

Notes to Financial Statements

| | |
|---|---|
| American Balanced Fund®, Inc.: | Fidelity® Variable Insurance Products: |
| American Balanced Fund® - Class R-3 | Fidelity® VIP Equity-Income Portfolio - Initial Class |
| American Century Government Income Trust: | Fidelity® VIP Growth Portfolio - Initial Class |
| American Century Inflation-Adjusted Bond Fund - Investor Class | Fidelity® VIP High Income Portfolio - Initial Class |
| American Century Quantitative Equity Funds, Inc.: | Fidelity® VIP Overseas Portfolio - Initial Class |
| American Century Income & Growth Fund - A Class | Fidelity® Variable Insurance Products II: |
| American Funds American Mutual Fund®: | Fidelity® VIP Contrafund® Portfolio - Initial Class |
| American Funds American Mutual Fund® - Class R-4** | Fidelity® VIP Index 500 Portfolio - Initial Class |
| Ariel Investment Trust: | Fidelity® Variable Insurance Products III: |
| Ariel Appreciation Fund | Fidelity® VIP Mid Cap Portfolio - Initial Class |
| Ariel Fund | Fidelity® Variable Insurance Products V: |
| Artisan Funds, Inc.: | Fidelity® VIP Asset Manager SM Portfolio - Initial Class |
| Artisan International Fund - Investor Shares | Franklin Mutual Series Fund Inc.: |
| Aston Funds: | Mutual Global Discovery Fund - Class R |
| Aston/Fairpointe Mid Cap Fund - Class N* | Franklin Strategic Series: |
| BlackRock Equity Dividend Fund: | Franklin Small-Mid Cap Growth Fund - Class A |
| BlackRock Equity Dividend Fund - Investor A Shares* | Franklin Templeton Variable Insurance Products Trust: |
| BlackRock Mid Cap Value Opportunities Series, Inc.: | Franklin Small Cap Value Securities Fund - Class 2 |
| BlackRock Mid Cap Value Opportunities Fund - Investor A Shares | Fundamental Investors SM , Inc.: |
| The Bond Fund of America SM , Inc.: | Fundamental Investors SM , Inc. - Class R-3 |
| The Bond Fund of America SM , Inc. - Class R-4 | Fundamental Investors SM , Inc. - Class R-4 |
| Calvert Variable Series, Inc.: | The Growth Fund of America®, Inc.: |
| Calvert VP SRI Balanced Portfolio | The Growth Fund of America® - Class R-3 |
| Capital World Growth & Income Fund SM , Inc.: | The Growth Fund of America® - Class R-4 |
| Capital World Growth & Income Fund SM , Inc. - Class R-3 | Hartford Mutual Funds, Inc.: |
| Cohen & Steers Realty Shares, Inc.: | The Hartford Capital Appreciation Fund - Class R4* |
| Cohen & Steers Realty Shares** | The Hartford Dividend And Growth Fund - Class R4* |
| Columbia Acorn Trust: | The Income Fund of America®, Inc.: |
| Columbia SM Acorn Fund® - Class A* | The Income Fund of America® - Class R-3 |
| Columbia SM Acorn Fund® - Class Z | ING Balanced Portfolio, Inc.: |
| Columbia Funds Series Trust: | ING Balanced Portfolio - Class I |
| Columbia Mid Cap Value Fund - Class A | ING Equity Trust: |
| Columbia Mid Cap Value Fund - Class Z | ING Real Estate Fund - Class A |
| CRM Mutual Fund Trust: | ING Value Choice Fund - Class A** |
| CRM Mid Cap Value Fund - Investor Shares | ING Funds Trust: |
| Dodge & Cox Funds: | ING GNMA Income Fund - Class A |
| Dodge & Cox International Stock Fund* | ING Intermediate Bond Fund - Class A |
| Dodge & Cox Stock Fund** | ING Intermediate Bond Portfolio: |
| DWS Institutional Funds: | ING Intermediate Bond Portfolio - Class I |
| DWS Equity 500 Index Fund - Class S | ING Intermediate Bond Portfolio - Class S |
| Eaton Vance Special Investment Trust: | ING Investors Trust: |
| Eaton Vance Large-Cap Value Fund - Class R | ING Artio Foreign Portfolio - Service Class |
| EuroPacific Growth Fund®: | ING BlackRock Health Sciences Opportunities Portfolio - Service Class |
| EuroPacific Growth Fund® - Class R-3 | ING BlackRock Inflation Protected Bond Portfolio - Adviser Class** |
| EuroPacific Growth Fund® - Class R-4 | ING BlackRock Large Cap Growth Portfolio - Institutional Class |
| Fidelity® Contrafund®: | ING BlackRock Large Cap Growth Portfolio - Service Class |
| Fidelity® Advisor New Insights Fund - Institutional Class* | ING BlackRock Large Cap Growth Portfolio - Service 2 Class |

**VARIABLE ANNUITY ACCOUNT C OF
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Notes to Financial Statements

ING Investors Trust (continued):

ING Clarion Global Real Estate Portfolio - Adviser Class**
 ING Clarion Global Real Estate Portfolio - Institutional Class
 ING Clarion Real Estate Portfolio - Adviser Class**
 ING Clarion Real Estate Portfolio - Institutional Class
 ING Clarion Real Estate Portfolio - Service Class
 ING FMRSM Diversified Mid Cap Portfolio - Service Class
 ING FMRSM Diversified Mid Cap Portfolio - Service 2 Class**
 ING Global Resources Portfolio - Adviser Class**
 ING Global Resources Portfolio - Institutional Class
 ING Global Resources Portfolio - Service Class
 ING Invesco Van Kampen Growth and Income 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 - Adviser Class**
 ING JPMorgan Small Cap Core Equity Portfolio - Service Class
 ING Large Cap Growth Portfolio - Adviser Class**
 ING Large Cap Growth Portfolio - Institutional Class**
 ING Large Cap Growth Portfolio - Service Class
 ING Large Cap Value Portfolio - Institutional Class
 ING Large Cap Value Portfolio - Service Class
 ING Marsico Growth Portfolio - Institutional Class
 ING Marsico Growth 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 Morgan Stanley Global Franchise Portfolio - Adviser Class**
 ING PIMCO High Yield Portfolio - Adviser Class**
 ING PIMCO High Yield Portfolio - Institutional Class
 ING PIMCO High Yield Portfolio - Service Class
 ING Pioneer Fund Portfolio - Institutional Class
 ING Pioneer Fund Portfolio - Service Class
 ING Pioneer Mid Cap Value Portfolio - Institutional Class
 ING Pioneer Mid Cap Value Portfolio - Service Class
 ING T. Rowe Price Capital Appreciation Portfolio - Adviser 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 Investors Trust (continued):

ING T. Rowe Price International Stock Portfolio - Adviser Class
 ING T. Rowe Price International Stock Portfolio - Service Class
 ING Templeton Global Growth Portfolio - Institutional Class
 ING Templeton Global Growth Portfolio - Service Class
 ING U.S. Stock Index Portfolio - Institutional Class
 ING Money Market Portfolio:
 ING Money Market Portfolio - Class I
 ING Mutual Funds:
 ING Global Real Estate Fund - Class A
 ING International Capital Appreciation Fund - Class I
 ING International SmallCap Multi-Manager Fund - Class A
 ING Partners, Inc.:
 ING American Century Small-Mid Cap Value Portfolio - Adviser Class
 ING American Century Small-Mid Cap Value Portfolio - Initial Class**
 ING American Century Small-Mid Cap Value 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 - Adviser 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 Global Bond Portfolio - Adviser Class
 ING Global Bond Portfolio - Initial Class
 ING Global Bond Portfolio - Service Class
 ING Index Solution 2015 Portfolio - Initial Class**
 ING Index Solution 2015 Portfolio - Service Class*
 ING Index Solution 2015 Portfolio - Service 2 Class*
 ING Index Solution 2025 Portfolio - Initial Class**
 ING Index Solution 2025 Portfolio - Service Class*
 ING Index Solution 2025 Portfolio - Service 2 Class*
 ING Index Solution 2035 Portfolio - Initial Class**
 ING Index Solution 2035 Portfolio - Service Class*
 ING Index Solution 2035 Portfolio - Service 2 Class*
 ING Index Solution 2045 Portfolio - Initial Class**
 ING Index Solution 2045 Portfolio - Service Class*
 ING Index Solution 2045 Portfolio - Service 2 Class*
 ING Index Solution 2055 Portfolio - Initial Class**
 ING Index Solution 2055 Portfolio - Service Class*
 ING Index Solution 2055 Portfolio - Service 2 Class*
 ING Index Solution Income Portfolio - Service Class**
 ING Index Solution Income Portfolio - Service 2 Class*

**VARIABLE ANNUITY ACCOUNT C OF
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ING Partners, Inc. (continued):

ING Invesco Van Kampen Comstock Portfolio - Adviser Class
ING Invesco Van Kampen Comstock Portfolio - Service Class
ING Invesco Van Kampen Equity and Income Portfolio - Adviser Class
ING Invesco Van Kampen Equity and Income Portfolio - Initial Class
ING Invesco Van Kampen Equity and Income Portfolio - Service Class
ING JPMorgan Mid Cap Value Portfolio - Adviser Class
ING JPMorgan Mid Cap Value Portfolio - Service Class
ING Oppenheimer Global Portfolio - Adviser Class
ING Oppenheimer Global Portfolio - Initial Class
ING Oppenheimer Global Portfolio - Service Class
ING PIMCO Total Return Portfolio - Adviser Class
ING PIMCO Total Return Portfolio - Initial 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 2015 Portfolio - Service 2 Class*
ING Solution 2025 Portfolio - Adviser Class
ING Solution 2025 Portfolio - Service Class
ING Solution 2025 Portfolio - Service 2 Class*
ING Solution 2035 Portfolio - Adviser Class
ING Solution 2035 Portfolio - Service Class
ING Solution 2035 Portfolio - Service 2 Class*
ING Solution 2045 Portfolio - Adviser Class
ING Solution 2045 Portfolio - Service Class
ING Solution 2045 Portfolio - Service 2 Class*
ING Solution 2055 Portfolio - Service Class*
ING Solution 2055 Portfolio - Service 2 Class*
ING Solution Growth Portfolio - Service Class
ING Solution Income Portfolio - Adviser Class
ING Solution Income Portfolio - Service Class
ING Solution Income Portfolio - Service 2 Class*
ING Solution Moderate 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 Partners, Inc. (continued):

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 Series Fund, Inc.:
ING Core Equity Research Fund - Class A
ING Strategic Allocation Portfolios, Inc.:
ING Strategic Allocation Conservative Portfolio - Class I
ING Strategic Allocation Growth Portfolio - Class I
ING Strategic Allocation Moderate Portfolio - Class I
ING Variable Funds:
ING Growth and Income Portfolio - Class A
ING Growth and Income Portfolio - Class I
ING Growth and Income Portfolio - Class S
ING Variable Insurance Trust:
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 Science and Technology Opportunities Portfolio - Adviser Class**
ING BlackRock Science and Technology Opportunities Portfolio - Class I
ING Index Plus LargeCap Portfolio - Class I
ING Index Plus LargeCap Portfolio - Class S
ING Index Plus MidCap Portfolio - Class I
ING Index Plus MidCap Portfolio - Class S
ING Index Plus SmallCap Portfolio - Class I
ING Index Plus SmallCap Portfolio - Class S
ING International Index Portfolio - Class I
ING International Index Portfolio - Class S
ING Russell™ Large Cap Growth Index Portfolio - Class I
ING Russell™ Large Cap Growth Index Portfolio - Class S
ING Russell™ Large Cap Index Portfolio - Class I
ING Russell™ Large Cap Index Portfolio - Class S*
ING Russell™ Large Cap Value Index Portfolio - Class I
ING Russell™ Large Cap Value Index Portfolio - Class S
ING Russell™ Mid Cap Growth Index Portfolio - Class S
ING Russell™ Mid Cap Index Portfolio - Class I

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ING Variable Portfolios, Inc. (continued):

ING Russell™ Small Cap Index Portfolio - Class I
ING Small Company Portfolio - Class I
ING Small Company Portfolio - Class S
ING U.S. Bond Index Portfolio - Class I

ING Variable Products Trust:

ING International Value Portfolio - Class I
ING International Value Portfolio - Class S
ING MidCap Opportunities Portfolio - Class I
ING MidCap Opportunities Portfolio - Class S
ING SmallCap Opportunities Portfolio - Class I
ING SmallCap Opportunities Portfolio - Class S

Invesco Growth Series:

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

Invesco Investment Funds:

Invesco Endeavor Fund - Class A**
Invesco Global Health Care Fund - Investor Class

Invesco Sector Funds:

Invesco Van Kampen Small Cap Value Fund - Class A
Invesco Van Kampen Small Cap Value Fund - Class Y**

Invesco Variable Insurance Funds:

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

Janus Aspen Series:

Janus Aspen Series Balanced Portfolio - Institutional Shares
Janus Aspen Series Enterprise Portfolio - Institutional Shares
Janus Aspen Series Flexible Bond Portfolio - Institutional Shares
Janus Aspen Series Janus Portfolio - Institutional Shares
Janus Aspen Series Worldwide 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 Abnett Developing Growth Fund, Inc.:

Lord Abnett Developing Growth Fund, Inc. - Class A*

Lord Abnett Investment Trust:

Lord Abnett Core Fixed Income Fund - Class A*

Lord Abnett Mid Cap Value Fund, Inc.:

Lord Abnett Mid-Cap Value Fund, Inc. - Class A

Lord Abnett Research Fund, Inc.:

Lord Abnett Small-Cap Value Fund - Class A

Lord Abnett Securities Trust:

Lord Abnett Fundamental Equity Fund - Class A**

Lord Abnett Series Fund, Inc.:

Lord Abnett Series Fund - Mid-Cap Value Portfolio - Class VC

Massachusetts Investors Growth Stock Fund:

Massachusetts Investors Growth Stock Fund - Class A

Neuberger Berman Equity Funds®:

Neuberger Berman Genesis Fund® - Trust Class**
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 Gold & Special Minerals Fund:

Oppenheimer Gold & Special Minerals Fund - Class A*

Oppenheimer International Bond Fund:

Oppenheimer International Bond Fund - Class A*

Oppenheimer Variable Account Funds:

Oppenheimer Global Securities/VA
Oppenheimer Global Strategic Income Fund/VA
Oppenheimer Main Street Fund®/VA
Oppenheimer Main Street Small- & Mid-Cap Fund®/VA

Oppenheimer Small- & Mid-Cap Growth Fund/VA

Parnassus Income Funds:

Parnassus Equity Income Fund - Investor Shares**

Pax World Funds Series Trust I:

Pax World Balanced Fund - Individual Investor Class

PIMCO Variable Insurance Trust:

PIMCO Real Return Portfolio - Administrative Class

Pioneer High Yield Fund:

Pioneer High Yield Fund - Class A

Pioneer Strategic Income Fund:

Pioneer Strategic Income Fund - Class A**

Pioneer Variable Contracts Trust:

Pioneer Emerging Markets VCT Portfolio - Class I
Pioneer High Yield VCT Portfolio - Class I
Pioneer Mid Cap Value VCT Portfolio - Class I**

RiverSource® Investment Series, Inc.:

Columbia Diversified Equity Income Fund - Class R-3
Columbia Diversified Equity Income Fund - Class R-4

The Royce Fund:

Royce Total Return Fund - Class K**

SmallCap World Fund, Inc.:

SMALLCAP World Fund® - Class R-4

T. Rowe Price Mid-Cap Value Fund, Inc.:

T. Rowe Price Mid-Cap Value Fund - R Class

T. Rowe Price Value Fund, Inc.:

T. Rowe Price Value Fund - Advisor Class

Templeton Funds, Inc.:

Templeton Foreign Fund - Class A

Templeton Income Trust:

Templeton Global Bond Fund - Class A

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Notes to Financial Statements

| | |
|--|---|
| Thornburg Investment Trust: Thornburg International Value Fund - Class R4** | Washington Mutual Investors Fund SM , Inc.: Washington Mutual Investors Fund SM , Inc. - Class R-3 |
| USAA Investment Trust: USAA Precious Metals and Minerals Fund - Adviser Shares** | Washington Mutual Investors Fund SM , Inc. - Class R-4 |
| Vanguard® Variable Insurance Fund: Diversified Value Portfolio Equity Income Portfolio Small Company Growth Portfolio | Wells Fargo Funds Trust: Wells Fargo Advantage Small Cap Value Fund - Class A Wells Fargo Advantage Special Small Cap Values Fund - Class A |
| The Victory Portfolios: Victory Small Company Opportunity Fund - Class R** | |
| Wanger Advisors Trust: Wanger International Wanger Select Wanger USA | * Division added to the list in 2010 ** Division added to the list in 2011 |

The names of certain Divisions were changed during 2011. The following is a summary of current and former names for those Divisions:

| Current Name | Former Name |
|---|--|
| Aston Funds: Aston/Fairpointe Mid Cap Fund - Class N | Aston Funds: Aston/Optimum Mid Cap Fund - Class N |
| ING Investors Trust: ING BlackRock Health Sciences Opportunities Portfolio - Service Class ING Core Growth and Income Portfolio - Service Class ING Invesco Van Kampen Growth and Income Portfolio - Service Class ING Large Cap Value Portfolio - Institutional Class ING Large Cap Value Portfolio - Service Class ING T. Rowe Price International Stock Portfolio - Adviser Class ING T. Rowe Price International Stock Portfolio - Service Class | ING Investors Trust: ING Wells Fargo HealthCare Portfolio - Service Class ING Janus Contrarian Portfolio - Service Class ING Van Kampen Growth and Income Portfolio - Service Class ING Pioneer Equity Income Portfolio - Institutional Class ING Pioneer Equity Income Portfolio - Service Class ING Marsico International Opportunities Portfolio - Adviser Class ING Marsico International Opportunities Portfolio - Service Class |
| ING Partners, Inc.: ING Columbia Small Cap Value II Portfolio - Adviser Class ING Columbia Small Cap Value II Portfolio - Service Class ING Global Bond Portfolio - Adviser Class ING Global Bond Portfolio - Initial Class ING Global Bond Portfolio - Service Class ING Invesco Van Kampen Comstock Portfolio - Adviser Class ING Invesco Van Kampen Comstock Portfolio - Service Class ING Invesco Van Kampen Equity and Income Portfolio - Adviser Class | ING Partners, Inc.: ING Columbia Small Cap Value Portfolio - Adviser Class ING Columbia Small Cap Value Portfolio - Service Class ING Oppenheimer Global Strategic Income Portfolio - Adviser Class ING Oppenheimer Global Strategic Income Portfolio - Initial Class ING Oppenheimer Global Strategic Income 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
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Notes to Financial Statements

| Current Name | Former Name |
|--|--|
| ING Partners, Inc. (continued): | ING Partners, Inc. (continued): |
| ING Invesco Van Kampen Equity and Income Portfolio - Initial Class | ING Van Kampen Equity and Income Portfolio - Initial Class |
| ING Invesco Van Kampen Equity and Income Portfolio - Service Class | ING Van Kampen Equity and Income Portfolio - Service Class |
| Oppenheimer Variable Account Funds: | Oppenheimer Variable Account Funds: |
| Oppenheimer Global Strategic Income Fund/VA | Oppenheimer Strategic Bond Fund/VA |
| Oppenheimer Main Street Small- & Mid-Cap Fund®/VA | Oppenheimer Main Street Small Cap Fund®/VA |

During 2011, the following Divisions were closed to contractowners:

ING Investors Trust:
 ING Core Growth and Income Portfolio - Service Class
 ING Lord Abbett Growth and Income Portfolio - Institutional Class
 ING Lord Abbett Growth and Income Portfolio - Service Class
 ING Partners, Inc.:
 ING Legg Mason ClearBridge Aggressive Growth Portfolio - Adviser Class
 ING Legg Mason ClearBridge Aggressive Growth Portfolio - Initial Class
 ING Legg Mason ClearBridge Aggressive Growth Portfolio - Service Class
 ING Variable Insurance Trust:
 ING GET U.S. Core Portfolio - Series 5
 ING GET U.S. Core Portfolio - Series 6
 Invesco Sector Funds:
 Invesco U.S. Small Cap Value Fund - Class Y
 The Lazard Funds, Inc.:
 Lazard Emerging Markets Equity Portfolio - Open Shares

The following Divisions were offered during 2011, but had no activity as of December 31, 2011:

| | |
|--|---|
| <p>The Alger Funds: Alger Capital Appreciation Fund - Class A AllianceBernstein Growth and Income Fund, Inc.: AllianceBernstein Growth and Income Fund - Class A Fidelity® Variable Insurance Products III: Fidelity® Mid Cap Portfolio - Initial Class Franklin Mutual Series Fund, Inc.: Mutual Global Discovery Fund - Class R Franklin Strategic Series: Franklin Small-Mid Cap Growth Fund - Class A ING Equity Trust: ING Growth Opportunities Fund - Class A ING Investors Trust: ING Limited Maturity Bond Portfolio - Adviser Class ING DFA Global Allocation Portfolio - Adviser Class ING Marsico Growth Portfolio - Adviser Class ING Partners, Inc.: ING Solution 2055 Portfolio - Adviser Class ING Index Solution 2035 Portfolio - Adviser Class ING Index Solution Income Portfolio - Initial Class</p> | <p>MainStay Funds: Mainstay Large Cap Growth Fund - Class R3 Neuberger Berman Equity Funds®: Neuberger Berman Genesis Fund - Advisor Class RiverSource® High Yield Income Series, Inc.: Columbia High Yield Bond Fund - Class R3 T. Rowe Price Science and Technology Fund, Inc.: T. Rowe Price Science and Technology Fund - Advisor Class Templeton Fund, Inc.: Templeton Foreign Fund - Class A Vanguard® Index Funds: Vanguard® 500 Index Fund - Investor Shares</p> |
|--|---|

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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 Division and are recorded at fair value, determined by the net asset value per share of the respective Division. Investment transactions in each Division are recorded on the trade date. Distributions of net investment income and capital gains from each Division are recognized on the ex-distribution date. Realized gains and losses on redemptions of the shares of the Division are determined on a first-in, first-out basis. The difference between cost and current market value of investments owned on 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

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. Prior to the annuity date, the Contracts are redeemable for the net cash surrender value of the Contracts.

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

**VARIABLE ANNUITY ACCOUNT C OF
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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.

Subsequent Events

The Account has evaluated subsequent events for recognition and disclosure through the date the financial statements as of December 31, 2011 and for the years ended December 31, 2011 and 2010, were issued.

3. Recently Adopted Accounting Standards

Improving Disclosures about Fair Value Measurements

In January 2010, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2010-06, "Fair Value Measurements and Disclosure (Topic 820): Improving Disclosures about Fair Value Measurements," ("ASU 2010-06"), which requires several new disclosures, as well as clarification to existing disclosures, as follows:

- Significant transfers in and out of Level 1 and Level 2 fair value measurements and the reason for the transfers;
- Purchases, sales, issuances, and settlement, in the Level 3 fair value measurements reconciliation on a gross basis;
- Fair value measurement disclosures for each Class of assets and liabilities (i.e., disaggregated); and
- Valuation techniques and inputs for both recurring and nonrecurring fair value measurements that fall in either Level 2 or Level 3 fair value measurements.

The provisions of ASU 2010-06 were adopted by the Account on January 1, 2010, except for the disclosures related to the Level 3 reconciliation, which were adopted by the Account on January 1, 2011. The Account determined, however, that there was no effect on the Account's disclosures, as the guidance is consistent with that previously applied by the Account and the Account has no Level 3 financial assets or liabilities. As the pronouncement only pertains to additional disclosure, the adoption had no effect on the Account's net assets and results of operations.

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Notes to Financial Statements

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, 2011 and 2010, respectively, based on the priority of the inputs to the valuation technique below. The Account had no financial liabilities as of December 31, 2011.

The Account categorizes 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.

- Level 1 - Unadjusted quoted prices for identical assets or liabilities in an active market. The Account defines an active market as a market in which transactions take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
- 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.
- 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.

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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 generally deducted at an annual rate of up to 1.75% of the assets attributable to the Contracts. In addition, a subaccount administrative adjustment charge of up to 0.80% may be charged as specified in the Contract.

Contract Maintenance Charges

An annual Contract maintenance fee of up to \$240 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 0.25% is deducted daily from the accumulation value for amounts invested in the ING GET U.S. Core Portfolio Funds.

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, 2011, management and service fees were paid to DSL, an affiliate of the Company, in its capacity as investment adviser to ING Partners, Inc. and ING Investors Trust. The Trusts' advisory agreements provided for a fee at annual rates up to 1.25% of the average net assets of each respective Fund.

Management and service fees were also paid indirectly to IIL, an affiliate of the Company, in its capacity as investment adviser to the ING Balanced Portfolio, Inc., ING Equity Trust, ING Funds Trust, ING Intermediate Bond Portfolio, ING Money Market Portfolio, ING Mutual Funds, ING Series Fund, Inc., ING Strategic Allocation Portfolios, Inc., ING Variable Funds, ING Variable Insurance Trust, ING Variable Portfolios, Inc., and ING Variable Products Trust. The annual fee rate ranged from 0.08% to 0.97% 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 | | | |
|---|-------------------------------|--------|-----------|--------|
| | 2011 | | 2010 | |
| | Purchases | Sales | Purchases | Sales |
| | <i>(Dollars in thousands)</i> | | | |
| The Alger Funds II: | | | | |
| Alger Green Fund - Class A | \$ 445 | \$ 343 | \$ 1,077 | \$ 655 |
| AllianceBernstein Growth and Income Fund, Inc.: | | | | |
| AllianceBernstein Growth and Income Fund, Inc. - Class A | 43 | 71 | 45 | 71 |
| AllianceBernstein Variable Products Series Fund, Inc.: | | | | |
| AllianceBernstein Growth and Income Portfolio - Class A | 90 | 96 | 52 | 82 |
| Allianz Funds: | | | | |
| Allianz NFJ Dividend Value Fund - Class A | 30 | 112 | 132 | 34 |
| Allianz NFJ Large-Cap Value Fund - Institutional Class | 1,800 | 569 | 1,141 | 602 |
| Allianz NFJ Small-Cap Value Fund - Class A | 113 | 106 | 133 | 380 |
| Amana Mutual Funds Trust: | | | | |
| Amana Growth Fund | 12,703 | 2,211 | 10,748 | 405 |
| Amana Income Fund | 13,815 | 2,723 | 17,199 | 863 |
| American Balanced Fund®, Inc.: | | | | |
| American Balanced Fund® - Class R-3 | 846 | 1,394 | 880 | 1,102 |
| American Century Government Income Trust: | | | | |
| American Century Inflation-Adjusted Bond Fund - Investor Class | 29,742 | 5,412 | 12,112 | 3,469 |
| American Century Quantitative Equity Funds, Inc.: | | | | |
| American Century Income & Growth Fund - A Class | 720 | 552 | 590 | 700 |
| American Funds American Mutual Fund®: | | | | |
| American Funds American Mutual Fund® - Class R-4 | 6 | - | - | - |
| Ariel Investment Trust: | | | | |
| Ariel Appreciation Fund | 238 | 310 | 173 | 95 |
| Ariel Fund | 2,959 | 1,923 | 1,665 | 853 |
| Artisan Funds, Inc.: | | | | |
| Artisan International Fund - Investor Shares | 1,321 | 915 | 1,482 | 921 |
| Aston Funds: | | | | |
| Aston/Fairpointe Mid Cap Fund - Class N | 3,887 | 783 | 2,834 | 186 |
| BlackRock Equity Dividend Fund: | | | | |
| BlackRock Equity Dividend Fund - Investor A Shares | 307 | 12 | 165 | - |
| BlackRock Mid Cap Value Opportunities Series, Inc.: | | | | |
| BlackRock Mid Cap Value Opportunities Fund - Investor A Shares | 4,738 | 1,679 | 4,883 | 1,195 |
| The Bond Fund of America SM , Inc.: | | | | |
| The Bond Fund of America SM , Inc. - Class R-4 | 3,130 | 2,360 | 4,391 | 2,376 |
| Calvert Variable Series, Inc.: | | | | |
| Calvert VP SRI Balanced Portfolio | 2,823 | 5,464 | 2,530 | 4,029 |
| Capital World Growth & Income Fund SM , Inc.: | | | | |
| Capital World Growth & Income Fund SM , Inc. - Class R-3 | 132 | 33 | 336 | 16 |
| Cohen & Steers Realty Shares, Inc. | | | | |
| Cohen & Steers Realty Shares | 1,055 | 378 | - | - |
| Columbia Acorn Trust: | | | | |
| Columbia SM Acorn Fund® - Class A | 75 | 8 | 8 | - |
| Columbia SM Acorn Fund® - Class Z | 6,530 | 1,679 | 4,760 | 1,045 |

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|---|-------------------------------|--------|-----------|--------|
| | 2011 | | 2010 | |
| | Purchases | Sales | Purchases | Sales |
| | <i>(Dollars in thousands)</i> | | | |
| Columbia Funds Series Trust: | | | | |
| Columbia Mid Cap Value Fund - Class A | \$ 884 | \$ 750 | \$ 988 | \$ 729 |
| Columbia Mid Cap Value Fund - Class Z | 4,650 | 1,764 | 1,928 | 907 |
| CRM Mutual Fund Trust: | | | | |
| CRM Mid Cap Value Fund - Investor Shares | 47 | 36 | 227 | 105 |
| Dodge & Cox Funds: | | | | |
| Dodge & Cox International Stock Fund | 142 | 2 | 4 | - |
| Dodge & Cox Stock Fund | 27 | 1 | - | - |
| DWS Institutional Funds: | | | | |
| DWS Equity 500 Index Fund - Class S | 79 | 29 | 75 | 9 |
| Eaton Vance Special Investment Trust: | | | | |
| Eaton Vance Large-Cap Value Fund - Class R | 13 | 3 | 50 | 30 |
| EuroPacific Growth Fund®: | | | | |
| EuroPacific Growth Fund® - Class R-3 | 1,138 | 2,613 | 1,803 | 1,385 |
| EuroPacific Growth Fund® - Class R-4 | 18,879 | 21,672 | 27,961 | 15,026 |
| Fidelity® Contrafund®: | | | | |
| Fidelity® Advisor New Insights Fund - Institutional Class | 275 | 47 | 34 | - |
| Fidelity® Variable Insurance Products: | | | | |
| Fidelity® VIP Equity-Income Portfolio - Initial Class | 14,176 | 34,510 | 12,832 | 28,856 |
| Fidelity® VIP Growth Portfolio - Initial Class | 10,639 | 20,845 | 7,280 | 15,084 |
| Fidelity® VIP High Income Portfolio - Initial Class | 3,529 | 3,480 | 3,380 | 2,953 |
| Fidelity® VIP Overseas Portfolio - Initial Class | 3,593 | 5,391 | 2,743 | 5,611 |
| Fidelity® Variable Insurance Products II: | | | | |
| Fidelity® VIP Contrafund® Portfolio - Initial Class | 43,237 | 78,072 | 41,318 | 97,150 |
| Fidelity® VIP Index 500 Portfolio - Initial Class | 9,756 | 10,264 | 8,482 | 7,657 |
| Fidelity® Variable Insurance Products III: | | | | |
| Fidelity® VIP Mid Cap Portfolio - Initial Class | 2,985 | 3,158 | 3,509 | 1,148 |
| Fidelity® Variable Insurance Products V: | | | | |
| Fidelity® VIP Asset Manager SM Portfolio - Initial Class | 2,074 | 2,159 | 1,389 | 1,777 |
| Franklin Mutual Series Fund Inc.: | | | | |
| Mutual Global Discovery Fund - Class R | 491 | 1,341 | 587 | 374 |
| Franklin Strategic Series: | | | | |
| Franklin Small-Mid Cap Growth Fund - Class A | 145 | 90 | 91 | 121 |
| Franklin Templeton Variable Insurance Products Trust: | | | | |
| Franklin Small Cap Value Securities Fund - Class 2 | 12,148 | 17,521 | 20,129 | 10,984 |
| Fundamental Investors SM , Inc.: | | | | |
| Fundamental Investors SM , Inc. - Class R-3 | 431 | 98 | 357 | 148 |
| Fundamental Investors SM , Inc. - Class R-4 | 5,638 | 3,952 | 8,555 | 1,812 |
| The Growth Fund of America®, Inc.: | | | | |
| The Growth Fund of America® - Class R-3 | 1,319 | 3,645 | 2,615 | 2,081 |
| The Growth Fund of America® - Class R-4 | 13,350 | 39,080 | 26,374 | 21,746 |
| Hartford Mutual Funds, Inc.: | | | | |
| The Hartford Capital Appreciation Fund - Class R4 | 233 | 202 | 258 | 84 |
| The Hartford Dividend And Growth Fund - Class R4 | 30 | 51 | 74 | 33 |
| The Income Fund of America®, Inc.: | | | | |
| The Income Fund of America® - Class R-3 | 461 | 312 | 478 | 436 |

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|---|-------------------------------|-----------|-----------|-----------|
| | 2011 | | 2010 | |
| | Purchases | Sales | Purchases | Sales |
| | <i>(Dollars in thousands)</i> | | | |
| ING Balanced Portfolio, Inc.: | | | | |
| ING Balanced Portfolio - Class I | \$ 12,602 | \$ 48,231 | \$ 12,862 | \$ 42,425 |
| ING Equity Trust: | | | | |
| ING Real Estate Fund - Class A | 638 | 675 | 310 | 331 |
| ING Value Choice Fund - Class A | 3 | - | - | - |
| ING Funds Trust: | | | | |
| ING GNMA Income Fund - Class A | 1,377 | 1,434 | 2,022 | 2,180 |
| ING Intermediate Bond Fund - Class A | 934 | 1,739 | 880 | 782 |
| ING Intermediate Bond Portfolio: | | | | |
| ING Intermediate Bond Portfolio - Class I | 40,019 | 47,029 | 46,058 | 59,238 |
| ING Intermediate Bond Portfolio - Class S | 472 | 64 | 207 | 58 |
| ING Investors Trust: | | | | |
| ING Artio Foreign Portfolio - Service Class | 1,381 | 5,944 | 1,451 | 7,415 |
| ING BlackRock Health Sciences Opportunities Portfolio - Service Class | 3,950 | 2,949 | 1,650 | 1,955 |
| ING BlackRock Inflation Protected Bond Portfolio - Adviser Class | 74 | - | - | - |
| ING BlackRock Large Cap Growth Portfolio - Institutional Class | 10,576 | 11,125 | 3,507 | 7,645 |
| ING BlackRock Large Cap Growth Portfolio - Service Class | 684 | 281 | 261 | 242 |
| ING BlackRock Large Cap Growth Portfolio - Service 2 Class | 97 | 51 | 67 | 47 |
| ING Clarion Global Real Estate Portfolio - Adviser Class | 3 | 1 | - | - |
| ING Clarion Global Real Estate Portfolio - Institutional Class | 9,333 | 8,020 | 11,324 | 5,712 |
| ING Clarion Real Estate Portfolio - Adviser Class | 17 | - | - | - |
| ING Clarion Real Estate Portfolio - Institutional Class | 1,476 | 1,218 | 1,933 | 1,599 |
| ING Clarion Real Estate Portfolio - Service Class | 10,190 | 6,754 | 13,022 | 5,105 |
| ING Core Growth and Income Portfolio - Service Class | 1,627 | 21,233 | 8,194 | 1,752 |
| ING FMR SM Diversified Mid Cap Portfolio - Service Class | 12,205 | 4,971 | 11,909 | 1,974 |
| ING FMR SM Diversified Mid Cap Portfolio - Service 2 Class | 15 | 1 | - | - |
| ING Global Resources Portfolio - Adviser Class | 2 | - | - | - |
| ING Global Resources Portfolio - Institutional Class | - | - | - | - |
| ING Global Resources Portfolio - Service Class | 22,214 | 19,089 | 16,350 | 12,441 |
| ING Invesco Van Kampen Growth and Income Portfolio - Service Class | 3,026 | 4,324 | 4,262 | 3,126 |
| ING JPMorgan Emerging Markets Equity Portfolio - Adviser Class | 77 | 114 | 313 | 363 |
| ING JPMorgan Emerging Markets Equity Portfolio - Institutional Class | 4,472 | 7,938 | 7,456 | 8,090 |
| ING JPMorgan Emerging Markets Equity Portfolio - Service Class | 3,295 | 6,275 | 6,144 | 6,297 |
| ING JPMorgan Small Cap Core Equity Portfolio - Adviser Class | 8 | - | - | - |
| ING JPMorgan Small Cap Core Equity Portfolio - Service Class | 3,035 | 739 | 2,673 | 894 |
| ING Large Cap Growth Portfolio - Adviser Class | 148 | 27 | - | - |
| ING Large Cap Growth Portfolio - Institutional Class | 149,451 | 9,464 | - | - |
| ING Large Cap Growth Portfolio - Service Class | 1,580 | 4,520 | 2,927 | 425 |
| ING Large Cap Value Portfolio - Institutional Class | 98,178 | 26,941 | 9,478 | 16,081 |
| ING Large Cap Value Portfolio - Service Class | 902 | 86 | - | - |
| ING Lord Abbett Growth and Income Portfolio - Institutional Class | 424 | 90,799 | 5,318 | 8,949 |
| ING Lord Abbett Growth and Income Portfolio - Service Class | 7 | 834 | 69 | 44 |

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|--|-------------------------------|----------|-----------|----------|
| | 2011 | | 2010 | |
| | Purchases | Sales | Purchases | Sales |
| | <i>(Dollars in thousands)</i> | | | |
| ING Investors Trust (continued): | | | | |
| ING Marsico Growth Portfolio - Institutional Class | \$ 2,144 | \$ 2,339 | \$ 1,987 | \$ 1,591 |
| ING Marsico Growth Portfolio - Service Class | 328 | 270 | 128 | 24 |
| ING MFS Total Return Portfolio - Adviser Class | 192 | 125 | 122 | 34 |
| ING MFS Total Return Portfolio - Institutional Class | 4,067 | 8,112 | 2,563 | 6,221 |
| ING MFS Total Return Portfolio - Service Class | 2,197 | 3,036 | 2,011 | 4,031 |
| ING MFS Utilities Portfolio - Service Class | 8,099 | 4,185 | 4,691 | 4,602 |
| ING Morgan Stanley Global Franchise Portfolio - Adviser Class | 14 | - | - | - |
| ING PIMCO High Yield Portfolio - Adviser Class | 30 | 1 | - | - |
| ING PIMCO High Yield Portfolio - Institutional Class | 5,642 | 2,091 | 5,129 | 1,958 |
| ING PIMCO High Yield Portfolio - Service Class | 8,202 | 4,672 | 9,782 | 2,636 |
| ING Pioneer Fund Portfolio - Institutional Class | 2,575 | 2,145 | 4,928 | 1,747 |
| ING Pioneer Fund Portfolio - Service Class | 123 | 286 | 89 | 26 |
| ING Pioneer Mid Cap Value Portfolio - Institutional Class | 5,681 | 13,012 | 5,865 | 9,467 |
| ING Pioneer Mid Cap Value Portfolio - Service Class | 101 | 102 | 81 | 91 |
| ING T. Rowe Price Capital Appreciation Portfolio - Adviser Class | 196 | 43 | - | - |
| ING T. Rowe Price Capital Appreciation Portfolio - Service Class | 58,516 | 18,096 | 68,540 | 9,464 |
| ING T. Rowe Price Equity Income Portfolio - Adviser Class | 353 | 212 | 226 | 419 |
| ING T. Rowe Price Equity Income Portfolio - Service Class | 9,275 | 12,421 | 11,416 | 28,389 |
| ING T. Rowe Price International Stock Portfolio - Adviser Class | 23 | 5 | 6 | 111 |
| ING T. Rowe Price International Stock Portfolio - Service Class | 1,431 | 1,425 | 1,262 | 2,587 |
| ING Templeton Global Growth Portfolio - Institutional Class | 162 | 134 | 123 | 166 |
| ING Templeton Global Growth Portfolio - Service Class | 1,477 | 974 | 765 | 805 |
| ING U.S. Stock Index Portfolio - Institutional Class | 1,674 | 476 | 1,599 | 218 |
| ING Money Market Portfolio: | | | | |
| ING Money Market Portfolio - Class I | 92,669 | 93,318 | 52,050 | 112,992 |
| ING Mutual Funds: | | | | |
| ING Global Real Estate Fund - Class A | 27 | 6 | 21 | 3 |
| ING International Capital Appreciation Fund - Class I | - | 10 | 8 | 1 |
| ING International SmallCap Multi-Manager Fund - Class A | 166 | 532 | 213 | 446 |
| ING Partners, Inc.: | | | | |
| ING American Century Small-Mid Cap Value Portfolio - Adviser Class | 50 | 9 | 35 | 23 |
| ING American Century Small-Mid Cap Value Portfolio - Initial Class | 5 | - | - | - |
| ING American Century Small-Mid Cap Value Portfolio - Service Class | 6,215 | 6,304 | 8,825 | 6,414 |
| ING Baron Small Cap Growth Portfolio - Adviser Class | 114 | 148 | 97 | 50 |
| ING Baron Small Cap Growth Portfolio - Service Class | 11,662 | 14,857 | 10,108 | 13,686 |
| ING Columbia Small Cap Value II Portfolio - Adviser Class | 292 | 62 | 1 | - |
| ING Columbia Small Cap Value II Portfolio - Service Class | 2,586 | 1,695 | 853 | 335 |
| ING Davis New York Venture Portfolio - Service Class | 1,216 | 2,979 | 2,320 | 2,122 |
| ING Fidelity® VIP Mid Cap Portfolio - Service Class | 1,539 | 6,258 | 2,782 | 1,413 |
| ING Global Bond Portfolio - Adviser Class | 65 | 104 | 303 | 109 |
| ING Global Bond Portfolio - Initial Class | 33,393 | 26,391 | 25,923 | 20,685 |
| ING Global Bond Portfolio - Service Class | 1,128 | 1,239 | 435 | 50 |

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|--|-------------------------------|---------|-----------|--------|
| | 2011 | | 2010 | |
| | Purchases | Sales | Purchases | Sales |
| | <i>(Dollars in thousands)</i> | | | |
| ING Partners, Inc. (continued): | | | | |
| ING Index Solution 2015 Portfolio - Initial Class | \$ 11 | \$ - | \$ - | \$ - |
| ING Index Solution 2015 Portfolio - Service Class | 523 | 31 | 51 | - |
| ING Index Solution 2015 Portfolio - Service 2 Class | 251 | 96 | 842 | 183 |
| ING Index Solution 2025 Portfolio - Initial Class | 76 | - | - | - |
| ING Index Solution 2025 Portfolio - Service Class | 144 | 111 | 28 | - |
| ING Index Solution 2025 Portfolio - Service 2 Class | 836 | 184 | 1,775 | 354 |
| ING Index Solution 2035 Portfolio - Initial Class | 47 | 6 | - | - |
| ING Index Solution 2035 Portfolio - Service Class | 214 | 150 | 21 | - |
| ING Index Solution 2035 Portfolio - Service 2 Class | 714 | 93 | 1,092 | 104 |
| ING Index Solution 2045 Portfolio - Initial Class | 16 | (1) | - | - |
| ING Index Solution 2045 Portfolio - Service Class | 20 | - | 1 | - |
| ING Index Solution 2045 Portfolio - Service 2 Class | 475 | 53 | 551 | 26 |
| ING Index Solution 2055 Portfolio - Initial Class | - | - | - | - |
| ING Index Solution 2055 Portfolio - Service Class | 84 | 20 | 3 | - |
| ING Index Solution 2055 Portfolio - Service 2 Class | 65 | 8 | - | - |
| ING Index Solution Income Portfolio - Service Class | 714 | 69 | - | - |
| ING Index Solution Income Portfolio - Service 2 Class | 38 | 6 | 187 | 32 |
| ING Invesco Van Kampen Comstock Portfolio - Adviser Class | 39 | 36 | 22 | 36 |
| ING Invesco Van Kampen Comstock Portfolio - Service Class | 3,098 | 7,193 | 3,737 | 8,881 |
| ING Invesco Van Kampen Equity and Income Portfolio - Adviser Class | 191 | 34 | 18 | 35 |
| ING Invesco Van Kampen Equity and Income Portfolio - Initial Class | 11,703 | 24,843 | 10,181 | 24,640 |
| ING Invesco Van Kampen Equity and Income Portfolio - Service Class | 58 | 37 | 66 | 19 |
| ING JPMorgan Mid Cap Value Portfolio - Adviser Class | 56 | 134 | 54 | 34 |
| ING JPMorgan Mid Cap Value Portfolio - Service Class | 2,614 | 3,160 | 2,441 | 3,729 |
| ING Legg Mason ClearBridge Aggressive Growth Portfolio - Adviser Class | 23 | 93 | 6 | 41 |
| ING Legg Mason ClearBridge Aggressive Growth Portfolio - Initial Class | 28,864 | 121,346 | 3,937 | 11,346 |
| ING Legg Mason ClearBridge Aggressive Growth Portfolio - Service Class | 80 | 223 | 22 | 17 |
| ING Oppenheimer Global Portfolio - Adviser Class | 144 | 57 | 89 | 46 |
| ING Oppenheimer Global Portfolio - Initial Class | 15,546 | 55,794 | 18,058 | 50,460 |
| ING Oppenheimer Global Portfolio - Service Class | 114 | 55 | 142 | 59 |
| ING PIMCO Total Return Portfolio - Adviser Class | 1,615 | 945 | 1,317 | 582 |
| ING PIMCO Total Return Portfolio - Initial Class | 77 | - | - | - |
| ING PIMCO Total Return Portfolio - Service Class | 42,234 | 29,678 | 65,731 | 20,241 |
| ING Pioneer High Yield Portfolio - Initial Class | 8,474 | 5,717 | 6,944 | 4,319 |
| ING Pioneer High Yield Portfolio - Service Class | 129 | 82 | 229 | 76 |
| ING Solution 2015 Portfolio - Adviser Class | 594 | 284 | 2,043 | 16,774 |
| ING Solution 2015 Portfolio - Service Class | 11,627 | 7,717 | 13,811 | 3,963 |
| ING Solution 2015 Portfolio - Service 2 Class | 2,926 | 3,146 | 17,927 | 3,526 |
| ING Solution 2025 Portfolio - Adviser Class | 86 | 31 | 1,566 | 20,444 |
| ING Solution 2025 Portfolio - Service Class | 15,714 | 5,043 | 16,642 | 3,520 |
| ING Solution 2025 Portfolio - Service 2 Class | 3,133 | 2,498 | 21,945 | 2,693 |
| ING Solution 2035 Portfolio - Adviser Class | 135 | 161 | 946 | 17,667 |
| ING Solution 2035 Portfolio - Service Class | 15,535 | 4,313 | 13,300 | 3,482 |

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|--|-------------------------------|----------|-----------|----------|
| | 2011 | | 2010 | |
| | Purchases | Sales | Purchases | Sales |
| | <i>(Dollars in thousands)</i> | | | |
| ING Partners, Inc. (continued): | | | | |
| ING Solution 2035 Portfolio - Service 2 Class | \$ 2,906 | \$ 2,424 | \$ 19,285 | \$ 3,075 |
| ING Solution 2045 Portfolio - Adviser Class | 84 | 37 | 822 | 12,634 |
| ING Solution 2045 Portfolio - Service Class | 11,495 | 2,551 | 9,900 | 2,037 |
| ING Solution 2045 Portfolio - Service 2 Class | 2,278 | 1,828 | 14,095 | 1,156 |
| ING Solution 2055 Portfolio - Service Class | 2,025 | 773 | 217 | 10 |
| ING Solution 2055 Portfolio - Service 2 Class | 184 | 81 | 157 | - |
| ING Solution Growth Portfolio - Service Class | 878 | 281 | 486 | 94 |
| ING Solution Income Portfolio - Adviser Class | 186 | 888 | 555 | 8,495 |
| ING Solution Income Portfolio - Service Class | 4,429 | 2,739 | 4,496 | 1,998 |
| ING Solution Income Portfolio - Service 2 Class | 711 | 3,020 | 8,513 | 3,477 |
| ING Solution Moderate Portfolio - Service Class | 950 | 349 | 938 | 167 |
| ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Adviser Class | 44 | 68 | 98 | 54 |
| ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Initial Class | 11,488 | 34,229 | 11,233 | 23,810 |
| ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Service Class | 140 | 95 | 141 | 54 |
| ING T. Rowe Price Growth Equity Portfolio - Adviser Class | 197 | 231 | 240 | 279 |
| ING T. Rowe Price Growth Equity Portfolio - Initial Class | 8,566 | 21,121 | 10,023 | 19,530 |
| ING T. Rowe Price Growth Equity Portfolio - Service Class | 457 | 408 | 296 | 156 |
| ING Templeton Foreign Equity Portfolio - Adviser Class | 325 | 110 | 112 | 24 |
| ING Templeton Foreign Equity Portfolio - Initial Class | 4,946 | 10,736 | 6,066 | 9,417 |
| ING Templeton Foreign Equity Portfolio - Service Class | 31 | 21 | 29 | 5 |
| ING Thornburg Value Portfolio - Adviser Class | 456 | 114 | 67 | 142 |
| ING Thornburg Value Portfolio - Initial Class | 9,871 | 14,703 | 6,004 | 10,571 |
| ING UBS U.S. Large Cap Equity Portfolio - Adviser Class | 23 | 12 | 8 | 18 |
| ING UBS U.S. Large Cap Equity Portfolio - Initial Class | 1,631 | 10,330 | 2,854 | 9,820 |
| ING UBS U.S. Large Cap Equity Portfolio - Service Class | 2 | - | 4 | - |
| ING Series Fund, Inc.: | | | | |
| ING Core Equity Research Fund - Class A | 40 | 49 | 165 | 113 |
| ING Strategic Allocation Portfolios, Inc.: | | | | |
| ING Strategic Allocation Conservative Portfolio - Class I | 6,827 | 5,045 | 5,941 | 6,465 |
| ING Strategic Allocation Growth Portfolio - Class I | 4,923 | 5,492 | 5,920 | 6,087 |
| ING Strategic Allocation Moderate Portfolio - Class I | 7,662 | 8,811 | 6,988 | 5,824 |
| ING Variable Funds: | | | | |
| ING Growth and Income Portfolio - Class A | 351 | 82 | 156 | 22 |
| ING Growth and Income Portfolio - Class I | 22,593 | 140,388 | 84,713 | 130,885 |
| ING Growth and Income Portfolio - Class S | 6,887 | 1,064 | 487 | 59 |
| ING Variable Insurance Trust: | | | | |
| ING GET U.S. Core Portfolio - Series 5 | 5 | 185 | 7 | 239 |
| ING GET U.S. Core Portfolio - Series 6 | 62 | 1,840 | 41 | 173 |
| ING GET U.S. Core Portfolio - Series 7 | 26 | 454 | 32 | 333 |
| ING GET U.S. Core Portfolio - Series 8 | 6 | 19 | 8 | 9 |
| ING GET U.S. Core Portfolio - Series 9 | 3 | 40 | 3 | 7 |
| ING GET U.S. Core Portfolio - Series 10 | 1 | 16 | 2 | 8 |
| ING GET U.S. Core Portfolio - Series 11 | 1 | 1 | 1 | 1 |

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| | 2011 | | 2010 | |
| | Purchases | Sales | Purchases | Sales |
| | <i>(Dollars in thousands)</i> | | | |
| ING Variable Portfolios, Inc.: | | | | |
| ING BlackRock Science and Technology Opportunities Portfolio - Adviser Class | \$ 2 | \$ - | \$ - | \$ - |
| ING BlackRock Science and Technology Opportunities Portfolio - Class I | 10,264 | 9,103 | 6,732 | 6,047 |
| ING Index Plus LargeCap Portfolio - Class I | 9,472 | 33,589 | 12,099 | 34,377 |
| ING Index Plus LargeCap Portfolio - Class S | 75 | 35 | 25 | 90 |
| ING Index Plus MidCap Portfolio - Class I | 12,306 | 33,956 | 14,311 | 33,790 |
| ING Index Plus MidCap Portfolio - Class S | 42 | 244 | 174 | 146 |
| ING Index Plus SmallCap Portfolio - Class I | 5,978 | 16,554 | 8,323 | 11,076 |
| ING Index Plus SmallCap Portfolio - Class S | 80 | 52 | 10 | 6 |
| ING International Index Portfolio - Class I | 3,349 | 2,982 | 2,910 | 2,853 |
| ING International Index Portfolio - Class S | 26 | 30 | 14 | 18 |
| ING Russell™ Large Cap Growth Index Portfolio - Class I | 2,786 | 1,447 | 2,005 | 1,298 |
| ING Russell™ Large Cap Growth Index Portfolio - Class S | 421 | 360 | 162 | 62 |
| ING Russell™ Large Cap Index Portfolio - Class I | 3,585 | 1,523 | 3,182 | 2,078 |
| ING Russell™ Large Cap Index Portfolio - Class S | - | 1 | 9 | - |
| ING Russell™ Large Cap Value Index Portfolio - Class I | 62 | 20 | 86 | 22 |
| ING Russell™ Large Cap Value Index Portfolio - Class S | 1,496 | 1,027 | 1,336 | 918 |
| ING Russell™ Mid Cap Growth Index Portfolio - Class S | 2,134 | 1,411 | 1,357 | 564 |
| ING Russell™ Mid Cap Index Portfolio - Class I | 2,978 | 1,387 | 2,386 | 550 |
| ING Russell™ Small Cap Index Portfolio - Class I | 3,493 | 1,702 | 3,035 | 530 |
| ING Small Company Portfolio - Class I | 4,758 | 13,878 | 7,705 | 10,751 |
| ING Small Company Portfolio - Class S | 48 | 4 | 12 | 9 |
| ING U.S. Bond Index Portfolio - Class I | 7,014 | 3,093 | 3,810 | 2,498 |
| ING Variable Products Trust: | | | | |
| ING International Value Portfolio - Class I | 5,567 | 14,904 | 7,026 | 26,928 |
| ING International Value Portfolio - Class S | 40 | 49 | 36 | 56 |
| ING MidCap Opportunities Portfolio - Class I | 12,540 | 2,978 | 8,292 | 2,248 |
| ING MidCap Opportunities Portfolio - Class S | 346 | 804 | 1,889 | 141 |
| ING SmallCap Opportunities Portfolio - Class I | 4,682 | 3,525 | 6,075 | 1,610 |
| ING SmallCap Opportunities Portfolio - Class S | 17 | 147 | 128 | 18 |
| Invesco Growth Series: | | | | |
| Invesco Mid Cap Core Equity Fund - Class A | 1,252 | 974 | 3,099 | 748 |
| Invesco Small Cap Growth Fund - Class A | 12 | 19 | 7 | 5 |
| Invesco Investment Funds: | | | | |
| Invesco Endeavor Fund - Class A | - | - | - | - |
| Invesco Global Health Care Fund - Investor Class | 138 | 144 | 29 | 18 |
| Invesco Sector Funds: | | | | |
| Invesco U.S. Small Cap Value Fund - Class Y | 5,537 | 11,228 | 3,896 | 753 |
| Invesco Van Kampen Small Cap Value Fund - Class A | 79 | 104 | 142 | 109 |
| Invesco Van Kampen Small Cap Value Fund - Class Y | 12,536 | 1,751 | - | - |
| Invesco Variable Insurance Funds: | | | | |
| Invesco V.I. Capital Appreciation Fund - Series I Shares | 777 | 2,441 | 878 | 2,029 |
| Invesco V.I. Core Equity Fund - Series I Shares | 1,492 | 4,869 | 1,510 | 4,728 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| | Year Ended December 31 | | | |
|---|-------------------------------|--------|-----------|--------|
| | 2011 | | 2010 | |
| | Purchases | Sales | Purchases | Sales |
| | <i>(Dollars in thousands)</i> | | | |
| Janus Aspen Series: | | | | |
| Janus Aspen Series Balanced Portfolio - Institutional Shares | \$ 27 | \$ 106 | \$ 22 | \$ 55 |
| Janus Aspen Series Enterprise Portfolio - Institutional Shares | 14 | 51 | 20 | 60 |
| Janus Aspen Series Flexible Bond Portfolio - Institutional Shares | 12 | 11 | 10 | 7 |
| Janus Aspen Series Janus Portfolio - Institutional Shares | 5 | 26 | 3 | 14 |
| Janus Aspen Series Worldwide Portfolio - Institutional Shares | 12 | 43 | 19 | 49 |
| The Lazard Funds, Inc.: | | | | |
| Lazard Emerging Markets Equity Portfolio - Open Shares | - | - | - | - |
| Lazard U.S. Mid Cap Equity Portfolio - Open Shares | 2,209 | 736 | 1,507 | 467 |
| LKCM Funds: | | | | |
| LKCM Aquinas Growth Fund | 30 | 61 | 36 | 35 |
| Loomis Sayles Funds I: | | | | |
| Loomis Sayles Small Cap Value Fund - Retail Class | 3,584 | 693 | 1,717 | 388 |
| Lord Abbett Developing Growth Fund, Inc.: | | | | |
| Lord Abbett Developing Growth Fund, Inc. - Class A | 66 | 1 | 18 | - |
| Lord Abbett Investment Trust: | | | | |
| Lord Abbett Core Fixed Income Fund - Class A | 49 | 2 | 4 | - |
| Lord Abbett Mid Cap Value Fund, Inc.: | | | | |
| Lord Abbett Mid-Cap Value Fund, Inc. - Class A | 218 | 272 | 210 | 97 |
| Lord Abbett Research Fund, Inc.: | | | | |
| Lord Abbett Small-Cap Value Fund - Class A | 144 | 681 | 194 | 133 |
| Lord Abbett Securities Trust: | | | | |
| Lord Abbett Fundamental Equity Fund - Class A | 49 | - | - | - |
| Lord Abbett Series Fund, Inc.: | | | | |
| Lord Abbett Series Fund - Mid-Cap Value Portfolio - Class VC | 6,986 | 10,438 | 3,889 | 13,915 |
| Massachusetts Investors Growth Stock Fund: | | | | |
| Massachusetts Investors Growth Stock Fund - Class A | 67 | 11 | 72 | 43 |
| Neuberger Berman Equity Funds®: | | | | |
| Neuberger Berman Genesis Fund® - Trust Class | 69 | 1 | - | - |
| Neuberger Berman Socially Responsive Fund® - Trust Class | 5,245 | 1,427 | 2,549 | 274 |
| New Perspective Fund®, Inc.: | | | | |
| New Perspective Fund®, Inc. - Class R-3 | 356 | 799 | 491 | 551 |
| New Perspective Fund®, Inc. - Class R-4 | 7,518 | 6,720 | 9,857 | 4,117 |
| Oppenheimer Capital Appreciation Fund: | | | | |
| Oppenheimer Capital Appreciation Fund - Class A | 107 | 155 | 133 | 249 |
| Oppenheimer Developing Markets Fund: | | | | |
| Oppenheimer Developing Markets Fund - Class A | 26,123 | 29,240 | 38,216 | 20,090 |
| Oppenheimer Gold & Special Minerals Fund: | | | | |
| Oppenheimer Gold & Special Minerals Fund - Class A | 9 | 32 | 38 | - |
| Oppenheimer International Bond Fund: | | | | |
| Oppenheimer International Bond Fund - Class A | 92 | 3 | 52 | - |
| Oppenheimer Variable Account Funds: | | | | |
| Oppenheimer Global Securities/VA | 7 | 62 | 9 | 36 |
| Oppenheimer Global Strategic Income Fund/VA | 7 | 10 | 11 | 8 |
| Oppenheimer Main Street Fund®/VA | 1 | 9 | 1 | 9 |
| Oppenheimer Main Street Small- & Mid-Cap Fund®/VA | 989 | 1,730 | 2,356 | 2,093 |
| Oppenheimer Small- & Mid-Cap Growth Fund/VA | - | 4 | - | 4 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
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| | Year Ended December 31 | | | |
|---|------------------------|--------|-----------|--------|
| | 2011 | | 2010 | |
| | Purchases | Sales | Purchases | Sales |
| | (Dollars in thousands) | | | |
| Parnassus Income Funds: | | | | |
| Parnassus Equity Income Fund - Investor Shares | \$ 39 | \$ 1 | \$ - | \$ - |
| Pax World Funds Series Trust I: | | | | |
| Pax World Balanced Fund - Individual Investor Class | 3,533 | 7,259 | 4,145 | 10,370 |
| PIMCO Variable Insurance Trust: | | | | |
| PIMCO Real Return Portfolio - Administrative Class | 53,005 | 18,659 | 48,198 | 9,360 |
| Pioneer High Yield Fund: | | | | |
| Pioneer High Yield Fund - Class A | 783 | 1,075 | 786 | 1,010 |
| Pioneer Strategic Income Fund: | | | | |
| Pioneer Strategic Income Fund - Class A | 257 | 3 | - | - |
| Pioneer Variable Contracts Trust: | | | | |
| Pioneer Emerging Markets VCT Portfolio - Class I | 2,400 | 7,469 | 5,213 | 7,641 |
| Pioneer High Yield VCT Portfolio - Class I | 4,942 | 2,742 | 4,149 | 3,351 |
| Pioneer Mid Cap Value VCT Portfolio - Class I | - | - | 1 | 1 |
| RiverSource® Investment Series, Inc.: | | | | |
| Columbia Diversified Equity Income Fund - Class R-3 | 13 | 101 | 92 | 181 |
| Columbia Diversified Equity Income Fund - Class R-4 | 2,219 | 1,203 | 2,119 | 628 |
| The Royce Fund: | | | | |
| Royce Total Return Fund - Class K | - | - | - | - |
| SmallCap World Fund, Inc.: | | | | |
| SMALLCAP World Fund® - Class R-4 | 3,233 | 2,376 | 5,217 | 1,917 |
| T. Rowe Price Mid-Cap Value Fund, Inc.: | | | | |
| T. Rowe Price Mid-Cap Value Fund - R Class | 110 | 223 | 118 | 432 |
| T. Rowe Price Value Fund, Inc.: | | | | |
| T. Rowe Price Value Fund - Advisor Class | 46 | 29 | 50 | 14 |
| Templeton Funds, Inc.: | | | | |
| Templeton Foreign Fund - Class A | 305 | 132 | 263 | 364 |
| Templeton Income Trust: | | | | |
| Templeton Global Bond Fund - Class A | 38,534 | 17,258 | 49,416 | 8,740 |
| Thornburg Investment Trust: | | | | |
| Thornburg International Value Fund - Class R4 | 65 | 1 | - | - |
| USAA Investment Trust: | | | | |
| USAA Precious Metals and Minerals Fund - Adviser Shares | 7,465 | 1,027 | - | - |
| Vanguard® Variable Insurance Fund: | | | | |
| Diversified Value Portfolio | 5 | 11 | 7 | 10 |
| Equity Income Portfolio | 52 | 28 | 58 | 10 |
| Small Company Growth Portfolio | 6 | 25 | 8 | 18 |
| The Victory Portfolios: | | | | |
| Victory Small Company Opportunity Fund - Class R | 1 | - | - | - |
| Wanger Advisors Trust: | | | | |
| Wanger International | 8,482 | 3,664 | 9,186 | 1,765 |
| Wanger Select | 8,850 | 13,817 | 18,361 | 4,041 |
| Wanger USA | 12,896 | 3,653 | 7,428 | 2,071 |
| Washington Mutual Investors Fund SM , Inc.: | | | | |
| Washington Mutual Investors Fund SM , Inc. - Class R-3 | 606 | 848 | 564 | 642 |
| Washington Mutual Investors Fund SM , Inc. - Class R-4 | 8,751 | 7,101 | 7,556 | 7,792 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| | Year Ended December 31 | | | |
|---|-------------------------------|--------|-----------|-------|
| | 2011 | | 2010 | |
| | Purchases | Sales | Purchases | Sales |
| | <i>(Dollars in thousands)</i> | | | |
| Wells Fargo Funds Trust: | | | | |
| Wells Fargo Advantage Small Cap Value Fund - Class A | \$ 18 | \$ 16 | \$ 24 | \$ 12 |
| Wells Fargo Advantage Special Small Cap Values Fund - Class A | 3,782 | 11,868 | 7,877 | 9,446 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

8. Changes in Units

The changes in units outstanding were as follows:

| | Year Ended December 31 | | | | | |
|--|------------------------|-------------------|----------------------------|-----------------|-------------------|----------------------------|
| | 2011 | | | 2010 | | |
| | Units Issued | Units Redeemed | Net Increase (Decrease) | Units Issued | Units Redeemed | Net Increase (Decrease) |
| The Alger Funds II: | | | | | | |
| Alger Green Fund - Class A | 45,978 | 37,803 | 8,175 | 141,653 | 117,849 | 23,804 |
| AllianceBernstein Growth and Income Fund, Inc.: | | | | | | |
| AllianceBernstein Growth and Income Fund, Inc. - Class A | 11,229 | 14,060 | (2,831) | 16,793 | 19,248 | (2,455) |
| AllianceBernstein Variable Products Series Fund, Inc.: | | | | | | |
| AllianceBernstein Growth and Income Portfolio - Class A | 8,272 | 8,882 | (610) | 4,582 | 7,123 | (2,541) |
| Allianz Funds: | | | | | | |
| Allianz NFJ Dividend Value Fund - Class A | 7,160 | 13,176 | (6,016) | 18,336 | 10,513 | 7,823 |
| Allianz NFJ Large-Cap Value Fund - Institutional Class | 212,727 | 72,516 | 140,211 | 151,788 | 83,349 | 68,439 |
| Allianz NFJ Small-Cap Value Fund - Class A | 11,905 | 12,400 | (495) | 13,769 | 30,584 | (16,815) |
| Amana Mutual Funds Trust: | | | | | | |
| Amana Growth Fund | 1,503,344 | 596,113 | 907,231 | 1,482,984 | 525,369 | 957,615 |
| Amana Income Fund | 1,561,603 | 692,444 | 869,159 | 1,908,155 | 417,788 | 1,490,367 |
| American Balanced Fund®, Inc.: | | | | | | |
| American Balanced Fund® - Class R-3 | 247,967 | 299,153 | (51,186) | 196,819 | 223,903 | (27,084) |
| American Century Government Income Trust: | | | | | | |
| American Century Inflation-Adjusted Bond Fund - Investor Class | 2,983,286 | 1,106,208 | 1,877,078 | 1,713,749 | 953,052 | 760,697 |
| American Century Quantitative Equity Funds, Inc.: | | | | | | |
| American Century Income & Growth Fund - A Class | 143,298 | 129,427 | 13,871 | 147,928 | 162,308 | (14,380) |
| American Funds American Mutual Fund®: | | | | | | |
| American Funds American Mutual Fund® - Class R-4 | 574 | - | 574 | - | - | - |
| Ariel Investment Trust: | | | | | | |
| Ariel Appreciation Fund | 36,207 | 43,421 | (7,214) | 27,362 | 20,375 | 6,987 |
| Ariel Fund | 363,536 | 279,935 | 83,601 | 204,877 | 126,738 | 78,139 |
| Artisan Funds, Inc.: | | | | | | |
| Artisan International Fund - Investor Shares | 209,175 | 160,594 | 48,581 | 407,387 | 334,222 | 73,165 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
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| | Year Ended December 31 | | | | | |
|---|------------------------|----------------|-------------------------|--------------|----------------|-------------------------|
| | 2011 | | | 2010 | | |
| | Units Issued | Units Redeemed | Net Increase (Decrease) | Units Issued | Units Redeemed | Net Increase (Decrease) |
| Aston Funds: | | | | | | |
| Aston/Fairpointe Mid Cap Fund - Class N | 417,977 | 155,269 | 262,708 | 295,252 | 45,847 | 249,405 |
| BlackRock Equity Dividend Fund: | | | | | | |
| BlackRock Equity Dividend Fund - Investor A Shares | 25,625 | 1,647 | 23,978 | 15,481 | 2 | 15,479 |
| BlackRock Mid Cap Value Opportunities Series, Inc.: | | | | | | |
| BlackRock Mid Cap Value Opportunities Fund - Investor A Shares | 383,017 | 189,349 | 193,668 | 439,373 | 175,323 | 264,050 |
| The Bond Fund of America SM , Inc.: | | | | | | |
| The Bond Fund of America SM , Inc. - Class R-4 | 421,875 | 370,880 | 50,995 | 816,433 | 640,049 | 176,384 |
| Calvert Variable Series, Inc.: | | | | | | |
| Calvert VP SRI Balanced Portfolio | 250,371 | 378,281 | (127,910) | 271,534 | 359,124 | (87,590) |
| Capital World Growth & Income Fund SM , Inc.: | | | | | | |
| Capital World Growth & Income Fund SM , Inc. - Class R-3 | 14,291 | 7,630 | 6,661 | 31,876 | 6,500 | 25,376 |
| Cohen & Steers Realty Shares, Inc. | | | | | | |
| Cohen & Steers Realty Shares | 122,771 | 51,287 | 71,484 | - | - | - |
| Columbia Acorn Trust: | | | | | | |
| Columbia SM Acorn Fund® - Class A | 5,535 | 613 | 4,922 | 653 | - | 653 |
| Columbia SM Acorn Fund® - Class Z | 555,268 | 174,473 | 380,795 | 547,398 | 190,910 | 356,488 |
| Columbia Funds Series Trust: | | | | | | |
| Columbia Mid Cap Value Fund - Class A | 147,759 | 133,356 | 14,403 | 192,754 | 164,606 | 28,148 |
| Columbia Mid Cap Value Fund - Class Z | 466,216 | 182,395 | 283,821 | 233,762 | 122,114 | 111,648 |
| CRM Mutual Fund Trust: | | | | | | |
| CRM Mid Cap Value Fund - Investor Shares | 10,184 | 9,340 | 844 | 25,071 | 15,235 | 9,836 |
| Dodge & Cox Funds: | | | | | | |
| Dodge & Cox International Stock Fund | 13,940 | 422 | 13,518 | 299 | - | 299 |
| Dodge & Cox Stock Fund | 2,198 | - | 2,198 | - | - | - |
| DWS Institutional Funds: | | | | | | |
| DWS Equity 500 Index Fund - Class S | 5,643 | 2,294 | 3,349 | 5,995 | 834 | 5,161 |
| Eaton Vance Special Investment Trust: | | | | | | |
| Eaton Vance Large-Cap Value Fund - Class R | 2,344 | 1,609 | 735 | 4,154 | 2,380 | 1,774 |

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| | Year Ended December 31 | | | | | |
|---|------------------------|-------------------|----------------------------|-----------------|-------------------|----------------------------|
| | 2011 | | | 2010 | | |
| | Units Issued | Units Redeemed | Net Increase (Decrease) | Units Issued | Units Redeemed | Net Increase (Decrease) |
| EuroPacific Growth Fund®: | | | | | | |
| EuroPacific Growth Fund® - Class R-3 | 298,079 | 391,134 | (93,055) | 331,860 | 310,727 | 21,133 |
| EuroPacific Growth Fund® - Class R-4 | 3,740,227 | 4,038,723 | (298,496) | 4,549,396 | 3,844,161 | 705,235 |
| Fidelity® Contrafund®: | | | | | | |
| Fidelity® Advisor New Insights Fund - Institutional Class | 24,980 | 6,470 | 18,510 | 4,438 | 1,311 | 3,127 |
| Fidelity® Variable Insurance Products: | | | | | | |
| Fidelity® VIP Equity-Income Portfolio - Initial Class | 2,242,225 | 3,425,223 | (1,182,998) | 2,256,647 | 3,350,761 | (1,094,114) |
| Fidelity® VIP Growth Portfolio - Initial Class | 2,439,098 | 2,928,549 | (489,451) | 2,917,042 | 3,363,027 | (445,985) |
| Fidelity® VIP High Income Portfolio - Initial Class | 340,019 | 381,872 | (41,853) | 341,067 | 356,462 | (15,395) |
| Fidelity® VIP Overseas Portfolio - Initial Class | 521,630 | 656,206 | (134,576) | 485,201 | 696,533 | (211,332) |
| Fidelity® Variable Insurance Products II: | | | | | | |
| Fidelity® VIP Contrafund® Portfolio - Initial Class | 7,330,581 | 8,462,908 | (1,132,327) | 13,914,298 | 15,157,315 | (1,243,017) |
| Fidelity® VIP Index 500 Portfolio - Initial Class | 472,827 | 625,749 | (152,922) | 519,762 | 603,631 | (83,869) |
| Fidelity® Variable Insurance Products III: | | | | | | |
| Fidelity® VIP Mid Cap Portfolio - Initial Class | 278,671 | 296,206 | (17,535) | 327,822 | 162,279 | 165,543 |
| Fidelity® Variable Insurance Products V: | | | | | | |
| Fidelity® VIP Asset Manager SM Portfolio - Initial Class | 108,957 | 126,312 | (17,355) | 81,496 | 112,973 | (31,477) |
| Franklin Mutual Series Fund Inc.: | | | | | | |
| Mutual Global Discovery Fund - Class R | 87,145 | 144,144 | (56,999) | 95,666 | 84,722 | 10,944 |
| Franklin Strategic Series: | | | | | | |
| Franklin Small-Mid Cap Growth Fund - Class A | 46,437 | 44,360 | 2,077 | 24,433 | 27,280 | (2,847) |
| Franklin Templeton Variable Insurance Products Trust: | | | | | | |
| Franklin Small Cap Value Securities Fund - Class 2 | 1,868,751 | 2,168,041 | (299,290) | 2,577,541 | 2,064,161 | 513,380 |
| Fundamental Investors SM , Inc.: | | | | | | |
| Fundamental Investors SM , Inc. - Class R-3 | 90,364 | 54,483 | 35,881 | 116,011 | 91,342 | 24,669 |
| Fundamental Investors SM , Inc. - Class R-4 | 1,199,786 | 1,052,135 | 147,651 | 1,813,422 | 1,012,664 | 800,758 |
| The Growth Fund of America®, Inc.: | | | | | | |
| The Growth Fund of America® - Class R-3 | 558,650 | 736,153 | (177,503) | 583,377 | 540,230 | 43,147 |
| The Growth Fund of America® - Class R-4 | 4,354,240 | 6,267,949 | (1,913,709) | 5,996,832 | 5,604,283 | 392,549 |

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| | Year Ended December 31 | | | | | |
|---|------------------------|-------------------|----------------------------|-----------------|-------------------|----------------------------|
| | 2011 | | 2010 | | | |
| | Units Issued | Units Redeemed | Net Increase (Decrease) | Units Issued | Units Redeemed | Net Increase (Decrease) |
| Hartford Mutual Funds, Inc.: | | | | | | |
| The Hartford Capital Appreciation Fund - Class R4 | 21,916 | 20,568 | 1,348 | 23,938 | 7,398 | 16,540 |
| The Hartford Dividend And Growth Fund - Class R4 | 2,198 | 3,872 | (1,674) | 7,345 | 3,186 | 4,159 |
| The Income Fund of America®, Inc.: | | | | | | |
| The Income Fund of America® - Class R-3 | 100,519 | 94,333 | 6,186 | 98,192 | 100,523 | (2,331) |
| ING Balanced Portfolio, Inc.: | | | | | | |
| ING Balanced Portfolio - Class I | 1,326,562 | 3,069,646 | (1,743,084) | 4,712,385 | 6,226,402 | (1,514,017) |
| ING Equity Trust: | | | | | | |
| ING Real Estate Fund - Class A | 84,411 | 87,388 | (2,977) | 58,754 | 63,710 | (4,956) |
| ING Value Choice Fund - Class A | 398 | 184 | 214 | - | - | - |
| ING Funds Trust: | | | | | | |
| ING GNMA Income Fund - Class A | 170,899 | 182,791 | (11,892) | 225,619 | 246,338 | (20,719) |
| ING Intermediate Bond Fund - Class A | 105,608 | 180,505 | (74,897) | 168,473 | 176,344 | (7,871) |
| ING Intermediate Bond Portfolio: | | | | | | |
| ING Intermediate Bond Portfolio - Class I | 3,765,002 | 4,310,213 | (545,211) | 8,540,074 | 9,440,580 | (900,506) |
| ING Intermediate Bond Portfolio - Class S | 35,798 | 5,661 | 30,137 | 16,271 | 5,163 | 11,108 |
| ING Investors Trust: | | | | | | |
| ING Artio Foreign Portfolio - Service Class | 353,077 | 721,395 | (368,318) | 1,873,339 | 2,319,747 | (446,408) |
| ING BlackRock Health Sciences Opportunities Portfolio - Service Class | 530,814 | 465,080 | 65,734 | 348,758 | 368,725 | (19,967) |
| ING BlackRock Inflation Protected Bond Portfolio - Adviser Class | 6,915 | - | 6,915 | - | - | - |
| ING BlackRock Large Cap Growth Portfolio - Institutional Class | 2,148,326 | 2,232,277 | (83,951) | 1,379,091 | 1,833,561 | (454,470) |
| ING BlackRock Large Cap Growth Portfolio - Service Class | 65,252 | 32,298 | 32,954 | 29,851 | 28,224 | 1,627 |
| ING BlackRock Large Cap Growth Portfolio - Service 2 Class | 10,775 | 5,718 | 5,057 | 6,631 | 4,385 | 2,246 |
| ING Clarion Global Real Estate Portfolio - Adviser Class | 250 | - | 250 | - | - | - |
| ING Clarion Global Real Estate Portfolio - Institutional Class | 1,829,946 | 1,880,112 | (50,166) | 1,823,495 | 1,682,944 | 140,551 |
| ING Clarion Real Estate Portfolio - Adviser Class | 1,853 | 55 | 1,798 | - | - | - |
| ING Clarion Real Estate Portfolio - Institutional Class | 129,503 | 123,702 | 5,801 | 188,549 | 164,687 | 23,862 |
| ING Clarion Real Estate Portfolio - Service Class | 1,965,228 | 1,684,181 | 281,047 | 2,281,454 | 1,566,442 | 715,012 |
| ING Core Growth and Income Portfolio - Service Class | 494,979 | 2,962,346 | (2,467,367) | 1,572,144 | 796,234 | 775,910 |
| ING FMR SM Diversified Mid Cap Portfolio - Service Class | 1,726,596 | 1,232,467 | 494,129 | 1,681,609 | 946,393 | 735,216 |

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|---|------------------------|-------------------|----------------------------|-----------------|-------------------|----------------------------|
| | 2011 | | 2010 | | | |
| | Units Issued | Units Redeemed | Net Increase (Decrease) | Units Issued | Units Redeemed | Net Increase (Decrease) |
| ING Investors Trust (continued): | | | | | | |
| ING FMR SM Diversified Mid Cap Portfolio - Service 2 Class | 1,546 | 147 | 1,399 | - | - | - |
| ING Global Resources Portfolio - Adviser Class | 246 | - | 246 | - | - | - |
| ING Global Resources Portfolio - Institutional Class | - | - | - | - | (1) | 1 |
| ING Global Resources Portfolio - Service Class | 3,929,243 | 3,738,886 | 190,357 | 4,664,897 | 4,393,098 | 271,799 |
| ING Invesco Van Kampen Growth and Income Portfolio - Service Class | 501,723 | 609,138 | (107,415) | 693,986 | 580,260 | 113,726 |
| ING JPMorgan Emerging Markets Equity Portfolio - Adviser Class | 3,522 | 6,188 | (2,666) | 15,568 | 20,467 | (4,899) |
| ING JPMorgan Emerging Markets Equity Portfolio - Institutional Class | 416,171 | 654,089 | (237,918) | 561,100 | 730,974 | (169,874) |
| ING JPMorgan Emerging Markets Equity Portfolio - Service Class | 391,473 | 564,440 | (172,967) | 1,010,554 | 1,109,677 | (99,123) |
| ING JPMorgan Small Cap Core Equity Portfolio - Adviser Class | 975 | - | 975 | - | - | - |
| ING JPMorgan Small Cap Core Equity Portfolio - Service Class | 325,301 | 160,671 | 164,630 | 264,664 | 122,654 | 142,010 |
| ING Large Cap Growth Portfolio - Adviser Class | 13,547 | 2,579 | 10,968 | - | - | - |
| ING Large Cap Growth Portfolio - Institutional Class | 15,143,063 | 2,270,000 | 12,873,063 | - | - | - |
| ING Large Cap Growth Portfolio - Service Class | 119,762 | 311,721 | (191,959) | 229,020 | 40,374 | 188,646 |
| ING Large Cap Value Portfolio - Institutional Class | 15,598,606 | 7,324,577 | 8,274,029 | 3,778,950 | 4,975,372 | (1,196,422) |
| ING Large Cap Value Portfolio - Service Class | 120,854 | 26,502 | 94,352 | 342 | 386 | (44) |
| ING Lord Abbett Growth and Income Portfolio - Institutional Class | 109,250 | 9,259,371 | (9,150,121) | 2,505,921 | 2,951,079 | (445,158) |
| ING Lord Abbett Growth and Income Portfolio - Service Class | 709 | 83,618 | (82,909) | 12,251 | 9,403 | 2,848 |
| ING Marsico Growth Portfolio - Institutional Class | 339,657 | 356,752 | (17,095) | 371,058 | 331,264 | 39,794 |
| ING Marsico Growth Portfolio - Service Class | 33,722 | 28,792 | 4,930 | 37,453 | 27,544 | 9,909 |
| ING MFS Total Return Portfolio - Adviser Class | 13,769 | 10,292 | 3,477 | 9,981 | 1,922 | 8,059 |
| ING MFS Total Return Portfolio - Institutional Class | 624,541 | 1,079,643 | (455,102) | 668,223 | 991,313 | (323,090) |
| ING MFS Total Return Portfolio - Service Class | 357,365 | 439,753 | (82,388) | 469,670 | 601,463 | (131,793) |
| ING MFS Utilities Portfolio - Service Class | 847,213 | 696,790 | 150,423 | 757,963 | 796,916 | (38,953) |
| ING Morgan Stanley Global Franchise Portfolio - Adviser Class | 1,493 | - | 1,493 | - | - | - |
| ING PIMCO High Yield Portfolio - Adviser Class | 3,009 | 50 | 2,959 | - | - | - |
| ING PIMCO High Yield Portfolio - Institutional Class | 536,889 | 330,515 | 206,374 | 461,543 | 248,772 | 212,771 |
| ING PIMCO High Yield Portfolio - Service Class | 845,070 | 704,179 | 140,891 | 1,108,112 | 680,043 | 428,069 |
| ING Pioneer Fund Portfolio - Institutional Class | 412,781 | 394,635 | 18,146 | 720,447 | 411,607 | 308,840 |

**VARIABLE ANNUITY ACCOUNT C OF
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| | Year Ended December 31 | | | | | |
|--|------------------------|-------------------|----------------------------|-----------------|-------------------|----------------------------|
| | 2011 | | | 2010 | | |
| | Units Issued | Units Redeemed | Net Increase (Decrease) | Units Issued | Units Redeemed | Net Increase (Decrease) |
| ING Investors Trust (continued): | | | | | | |
| ING Pioneer Fund Portfolio - Service Class | 18,423 | 36,150 | (17,727) | 9,923 | 3,402 | 6,521 |
| ING Pioneer Mid Cap Value Portfolio - Institutional Class | 1,632,079 | 2,392,531 | (760,452) | 2,032,649 | 2,437,870 | (405,221) |
| ING Pioneer Mid Cap Value Portfolio - Service Class | 27,093 | 27,927 | (834) | 29,001 | 29,996 | (995) |
| ING T. Rowe Price Capital Appreciation Portfolio - Adviser Class | 19,664 | 4,547 | 15,117 | - | - | - |
| ING T. Rowe Price Capital Appreciation Portfolio - Service Class | 8,658,513 | 6,099,671 | 2,558,842 | 9,237,628 | 4,820,009 | 4,417,619 |
| ING T. Rowe Price Equity Income Portfolio - Adviser Class | 30,214 | 19,911 | 10,303 | 19,049 | 39,742 | (20,693) |
| ING T. Rowe Price Equity Income Portfolio - Service Class | 1,417,824 | 1,693,804 | (275,980) | 7,831,293 | 9,108,724 | (1,277,431) |
| ING T. Rowe Price International Stock Portfolio - Adviser Class | 2,172 | 571 | 1,601 | 375 | 13,730 | (13,355) |
| ING T. Rowe Price International Stock Portfolio - Service Class | 199,414 | 213,436 | (14,022) | 220,238 | 331,857 | (111,619) |
| ING Templeton Global Growth Portfolio - Institutional Class | 15,342 | 13,885 | 1,457 | 13,875 | 17,890 | (4,015) |
| ING Templeton Global Growth Portfolio - Service Class | 224,056 | 181,115 | 42,941 | 139,183 | 146,600 | (7,417) |
| ING U.S. Stock Index Portfolio - Institutional Class | 103,395 | 44,402 | 58,993 | 140,789 | 23,860 | 116,929 |
| ING Money Market Portfolio: | | | | | | |
| ING Money Market Portfolio - Class I | 12,927,417 | 12,756,153 | 171,264 | 13,974,028 | 17,020,686 | (3,046,658) |
| ING Mutual Funds: | | | | | | |
| ING Global Real Estate Fund - Class A | 2,102 | 870 | 1,232 | 6,325 | 5,062 | 1,263 |
| ING International Capital Appreciation Fund - Class I | 784 | 1,370 | (586) | 1,231 | 678 | 553 |
| ING International SmallCap Multi-Manager Fund - Class A | 14,785 | 36,931 | (22,146) | 35,060 | 50,962 | (15,902) |
| ING Partners, Inc.: | | | | | | |
| ING American Century Small-Mid Cap Value Portfolio - Adviser Class | 3,671 | 807 | 2,864 | 2,108 | 1,158 | 950 |
| ING American Century Small-Mid Cap Value Portfolio - Initial Class | 494 | 15 | 479 | - | - | - |
| ING American Century Small-Mid Cap Value Portfolio - Service Class | 798,721 | 807,683 | (8,962) | 2,426,715 | 2,317,165 | 109,550 |
| ING Baron Small Cap Growth Portfolio - Adviser Class | 9,563 | 12,264 | (2,701) | 9,407 | 4,853 | 4,554 |
| ING Baron Small Cap Growth Portfolio - Service Class | 1,947,175 | 2,032,531 | (85,356) | 2,947,533 | 3,123,153 | (175,620) |
| ING Columbia Small Cap Value II Portfolio - Adviser Class | 36,182 | 13,749 | 22,433 | 74 | - | 74 |
| ING Columbia Small Cap Value II Portfolio - Service Class | 350,253 | 268,426 | 81,827 | 231,564 | 174,917 | 56,647 |
| ING Davis New York Venture Portfolio - Service Class | 192,362 | 305,032 | (112,670) | 321,444 | 318,964 | 2,480 |
| ING Fidelity® VIP Mid Cap Portfolio - Service Class | 225,045 | 616,337 | (391,292) | 306,486 | 188,422 | 118,064 |
| ING Global Bond Portfolio - Adviser Class | 2,663 | 7,749 | (5,086) | 21,680 | 7,267 | 14,413 |

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|--|------------------------|-------------------|----------------------------|-----------------|-------------------|----------------------------|
| | 2011 | | | 2010 | | |
| | Units Issued | Units Redeemed | Net Increase (Decrease) | Units Issued | Units Redeemed | Net Increase (Decrease) |
| ING Partners, Inc. (continued): | | | | | | |
| ING Global Bond Portfolio - Initial Class | 4,000,136 | 4,251,527 | (251,391) | 3,677,388 | 3,552,941 | 124,447 |
| ING Global Bond Portfolio - Service Class | 121,701 | 139,022 | (17,321) | 50,911 | 19,317 | 31,594 |
| ING Index Solution 2015 Portfolio - Initial Class | 891 | - | 891 | - | - | - |
| ING Index Solution 2015 Portfolio - Service Class | 41,746 | 2,413 | 39,333 | 5,073 | 2 | 5,071 |
| ING Index Solution 2015 Portfolio - Service 2 Class | 39,861 | 29,740 | 10,121 | 84,908 | 22,639 | 62,269 |
| ING Index Solution 2025 Portfolio - Initial Class | 5,946 | - | 5,946 | - | - | - |
| ING Index Solution 2025 Portfolio - Service Class | 13,767 | 12,000 | 1,767 | 2,061 | - | 2,061 |
| ING Index Solution 2025 Portfolio - Service 2 Class | 101,430 | 55,060 | 46,370 | 184,454 | 52,425 | 132,029 |
| ING Index Solution 2035 Portfolio - Initial Class | 3,566 | 462 | 3,104 | - | - | - |
| ING Index Solution 2035 Portfolio - Service Class | 15,139 | 10,109 | 5,030 | 1,915 | (1) | 1,916 |
| ING Index Solution 2035 Portfolio - Service 2 Class | 90,551 | 44,279 | 46,272 | 116,799 | 24,333 | 92,466 |
| ING Index Solution 2045 Portfolio - Initial Class | 1,217 | - | 1,217 | - | - | - |
| ING Index Solution 2045 Portfolio - Service Class | 1,486 | 17 | 1,469 | 38 | - | 38 |
| ING Index Solution 2045 Portfolio - Service 2 Class | 50,563 | 18,046 | 32,517 | 56,448 | 7,523 | 48,925 |
| ING Index Solution 2055 Portfolio - Initial Class | 35 | - | 35 | - | - | - |
| ING Index Solution 2055 Portfolio - Service Class | 7,450 | 1,848 | 5,602 | 256 | - | 256 |
| ING Index Solution 2055 Portfolio - Service 2 Class | 5,660 | 862 | 4,798 | 18 | 1 | 17 |
| ING Index Solution Income Portfolio - Service Class | 56,971 | 5,760 | 51,211 | - | - | - |
| ING Index Solution Income Portfolio - Service 2 Class | 3,857 | 1,676 | 2,181 | 21,957 | 7,068 | 14,889 |
| ING Invesco Van Kampen Comstock Portfolio - Adviser Class | 3,233 | 3,387 | (154) | 1,829 | 3,578 | (1,749) |
| ING Invesco Van Kampen Comstock Portfolio - Service Class | 607,096 | 941,170 | (334,074) | 1,016,974 | 1,479,441 | (462,467) |
| ING Invesco Van Kampen Equity and Income Portfolio - Adviser Class | 14,297 | 2,776 | 11,521 | 1,009 | 3,078 | (2,069) |
| ING Invesco Van Kampen Equity and Income Portfolio - Initial Class | 3,230,645 | 4,541,528 | (1,310,883) | 2,632,160 | 4,163,581 | (1,531,421) |
| ING Invesco Van Kampen Equity and Income Portfolio - Service Class | 1,364 | 855 | 509 | 1,707 | 487 | 1,220 |
| ING JPMorgan Mid Cap Value Portfolio - Adviser Class | 4,337 | 10,335 | (5,998) | 4,019 | 2,298 | 1,721 |
| ING JPMorgan Mid Cap Value Portfolio - Service Class | 386,702 | 417,534 | (30,832) | 473,470 | 546,831 | (73,361) |
| ING Legg Mason ClearBridge Aggressive Growth Portfolio - Adviser Class | 608 | 9,192 | (8,584) | 633 | 4,742 | (4,109) |
| ING Legg Mason ClearBridge Aggressive Growth Portfolio - Initial Class | 97,997 | 9,130,419 | (9,032,422) | 1,401,390 | 1,979,797 | (578,407) |
| ING Legg Mason ClearBridge Aggressive Growth Portfolio - Service Class | 2,089 | 18,402 | (16,313) | 2,792 | 2,168 | 624 |

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|--|------------------------|-------------------|----------------------------|-----------------|-------------------|----------------------------|
| | 2011 | | | 2010 | | |
| | Units Issued | Units Redeemed | Net Increase (Decrease) | Units Issued | Units Redeemed | Net Increase (Decrease) |
| ING Partners, Inc. (continued): | | | | | | |
| ING Oppenheimer Global Portfolio - Adviser Class | 11,592 | 4,855 | 6,737 | 7,591 | 4,199 | 3,392 |
| ING Oppenheimer Global Portfolio - Initial Class | 5,014,563 | 8,223,514 | (3,208,951) | 6,708,567 | 9,861,179 | (3,152,612) |
| ING Oppenheimer Global Portfolio - Service Class | 7,423 | 3,859 | 3,564 | 10,273 | 4,632 | 5,641 |
| ING PIMCO Total Return Portfolio - Adviser Class | 80,738 | 42,289 | 38,449 | 86,452 | 35,474 | 50,978 |
| ING PIMCO Total Return Portfolio - Initial Class | 7,652 | 67 | 7,585 | - | - | - |
| ING PIMCO Total Return Portfolio - Service Class | 5,362,700 | 5,384,576 | (21,876) | 8,136,537 | 5,431,508 | 2,705,029 |
| ING Pioneer High Yield Portfolio - Initial Class | 968,504 | 863,802 | 104,702 | 1,619,389 | 1,490,029 | 129,360 |
| ING Pioneer High Yield Portfolio - Service Class | 19,735 | 17,773 | 1,962 | 17,444 | 7,091 | 10,353 |
| ING Solution 2015 Portfolio - Adviser Class | 33,488 | 7,037 | 26,451 | 338,670 | 1,640,501 | (1,301,831) |
| ING Solution 2015 Portfolio - Service Class | 1,868,878 | 1,636,193 | 232,685 | 1,816,759 | 981,431 | 835,328 |
| ING Solution 2015 Portfolio - Service 2 Class | 706,826 | 762,808 | (55,982) | 1,937,267 | 640,594 | 1,296,673 |
| ING Solution 2025 Portfolio - Adviser Class | 7,271 | 2,677 | 4,594 | 354,162 | 2,076,046 | (1,721,884) |
| ING Solution 2025 Portfolio - Service Class | 2,503,508 | 1,694,726 | 808,782 | 2,635,373 | 1,461,678 | 1,173,695 |
| ING Solution 2025 Portfolio - Service 2 Class | 745,378 | 726,430 | 18,948 | 2,274,477 | 566,788 | 1,707,689 |
| ING Solution 2035 Portfolio - Adviser Class | 12,311 | 14,293 | (1,982) | 286,562 | 1,799,158 | (1,512,596) |
| ING Solution 2035 Portfolio - Service Class | 2,399,857 | 1,485,358 | 914,499 | 2,231,641 | 1,349,651 | 881,990 |
| ING Solution 2035 Portfolio - Service 2 Class | 622,211 | 603,092 | 19,119 | 1,936,436 | 511,170 | 1,425,266 |
| ING Solution 2045 Portfolio - Adviser Class | 4,229 | 434 | 3,795 | 194,723 | 1,258,940 | (1,064,217) |
| ING Solution 2045 Portfolio - Service Class | 1,894,220 | 1,147,485 | 746,735 | 2,036,203 | 1,300,711 | 735,492 |
| ING Solution 2045 Portfolio - Service 2 Class | 435,737 | 409,744 | 25,993 | 1,407,049 | 265,282 | 1,141,767 |
| ING Solution 2055 Portfolio - Service Class | 191,599 | 80,464 | 111,135 | 20,098 | 926 | 19,172 |
| ING Solution 2055 Portfolio - Service 2 Class | 17,375 | 8,707 | 8,668 | 16,896 | 1,810 | 15,086 |
| ING Solution Growth Portfolio - Service Class | 98,395 | 36,165 | 62,230 | 61,688 | 17,428 | 44,260 |
| ING Solution Income Portfolio - Adviser Class | 14,120 | 72,389 | (58,269) | 105,787 | 797,829 | (692,042) |
| ING Solution Income Portfolio - Service Class | 525,658 | 424,762 | 100,896 | 606,445 | 415,137 | 191,308 |
| ING Solution Income Portfolio - Service 2 Class | 152,073 | 369,335 | (217,262) | 841,314 | 383,001 | 458,313 |
| ING Solution Moderate Portfolio - Service Class | 101,108 | 42,837 | 58,271 | 103,183 | 23,722 | 79,461 |
| ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Adviser Class | 3,011 | 4,768 | (1,757) | 7,074 | 3,075 | 3,999 |
| ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Initial Class | 2,987,974 | 4,455,573 | (1,467,599) | 3,792,667 | 4,816,050 | (1,023,383) |

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| | Year Ended December 31 | | | | | |
|--|------------------------|-------------------|----------------------------|-----------------|-------------------|----------------------------|
| | 2011 | | | 2010 | | |
| | Units Issued | Units Redeemed | Net Increase (Decrease) | Units Issued | Units Redeemed | Net Increase (Decrease) |
| ING Partners, Inc. (continued): | | | | | | |
| ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Service Class | 12,421 | 8,632 | 3,789 | 20,190 | 12,596 | 7,594 |
| ING T. Rowe Price Growth Equity Portfolio - Adviser Class | 18,295 | 21,090 | (2,795) | 22,737 | 26,602 | (3,865) |
| ING T. Rowe Price Growth Equity Portfolio - Initial Class | 1,836,940 | 2,279,039 | (442,099) | 3,311,494 | 3,495,977 | (184,483) |
| ING T. Rowe Price Growth Equity Portfolio - Service Class | 60,573 | 55,997 | 4,576 | 80,134 | 68,009 | 12,125 |
| ING Templeton Foreign Equity Portfolio - Adviser Class | 42,657 | 20,292 | 22,365 | 12,053 | 1,716 | 10,337 |
| ING Templeton Foreign Equity Portfolio - Initial Class | 1,320,471 | 2,097,122 | (776,651) | 1,550,476 | 2,117,048 | (566,572) |
| ING Templeton Foreign Equity Portfolio - Service Class | 7,170 | 6,217 | 953 | 2,929 | 530 | 2,399 |
| ING Thornburg Value Portfolio - Adviser Class | 44,733 | 17,127 | 27,606 | 4,945 | 12,571 | (7,626) |
| ING Thornburg Value Portfolio - Initial Class | 890,698 | 1,171,010 | (280,312) | 709,235 | 977,392 | (268,157) |
| ING UBS U.S. Large Cap Equity Portfolio - Adviser Class | 2,196 | 1,186 | 1,010 | 838 | 1,977 | (1,139) |
| ING UBS U.S. Large Cap Equity Portfolio - Initial Class | 367,446 | 1,005,809 | (638,363) | 566,138 | 1,093,397 | (527,259) |
| ING UBS U.S. Large Cap Equity Portfolio - Service Class | 246 | - | 246 | 494 | (1) | 495 |
| ING Series Fund, Inc.: | | | | | | |
| ING Core Equity Research Fund - Class A | 12,973 | 13,552 | (579) | 16,078 | 12,366 | 3,712 |
| ING Strategic Allocation Portfolios, Inc.: | | | | | | |
| ING Strategic Allocation Conservative Portfolio - Class I | 588,721 | 545,084 | 43,637 | 747,516 | 814,139 | (66,623) |
| ING Strategic Allocation Growth Portfolio - Class I | 721,640 | 796,849 | (75,209) | 940,285 | 1,038,631 | (98,346) |
| ING Strategic Allocation Moderate Portfolio - Class I | 893,158 | 1,047,207 | (154,049) | 923,628 | 964,343 | (40,715) |
| ING Variable Funds: | | | | | | |
| ING Growth and Income Portfolio - Class A | 34,567 | 7,934 | 26,633 | 17,534 | 2,142 | 15,392 |
| ING Growth and Income Portfolio - Class I | 3,234,740 | 8,466,661 | (5,231,921) | 7,435,484 | 8,643,832 | (1,208,348) |
| ING Growth and Income Portfolio - Class S | 746,696 | 150,865 | 595,831 | 61,797 | 17,685 | 44,112 |
| ING Variable Insurance Trust: | | | | | | |
| ING GET U.S. Core Portfolio - Series 5 | - | 17,588 | (17,588) | - | 22,229 | (22,229) |
| ING GET U.S. Core Portfolio - Series 6 | - | 178,447 | (178,447) | - | 13,528 | (13,528) |
| ING GET U.S. Core Portfolio - Series 7 | - | 41,033 | (41,033) | 2,652 | 32,470 | (29,818) |
| ING GET U.S. Core Portfolio - Series 8 | - | 1,222 | (1,222) | 2,206 | 2,470 | (264) |
| ING GET U.S. Core Portfolio - Series 9 | - | 3,652 | (3,652) | - | 481 | (481) |
| ING GET U.S. Core Portfolio - Series 10 | - | 1,543 | (1,543) | - | 635 | (635) |
| ING GET U.S. Core Portfolio - Series 11 | - | 8 | (8) | - | 29 | (29) |

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|--|------------------------|-------------------|----------------------------|-----------------|-------------------|----------------------------|
| | 2011 | | 2010 | | | |
| | Units Issued | Units Redeemed | Net Increase (Decrease) | Units Issued | Units Redeemed | Net Increase (Decrease) |
| ING Variable Portfolios, Inc.: | | | | | | |
| ING BlackRock Science and Technology Opportunities Portfolio - Adviser Class | 262 | - | 262 | - | - | - |
| ING BlackRock Science and Technology Opportunities Portfolio - Class I | 3,845,670 | 3,644,092 | 201,578 | 3,661,949 | 3,451,937 | 210,012 |
| ING Index Plus LargeCap Portfolio - Class I | 1,908,535 | 3,425,158 | (1,516,623) | 2,520,283 | 4,135,055 | (1,614,772) |
| ING Index Plus LargeCap Portfolio - Class S | 6,678 | 3,138 | 3,540 | 1,875 | 9,062 | (7,187) |
| ING Index Plus MidCap Portfolio - Class I | 2,206,087 | 3,194,471 | (988,384) | 4,076,518 | 5,133,360 | (1,056,842) |
| ING Index Plus MidCap Portfolio - Class S | 3,850 | 20,710 | (16,860) | 16,709 | 15,052 | 1,657 |
| ING Index Plus SmallCap Portfolio - Class I | 1,187,003 | 1,837,098 | (650,095) | 1,680,563 | 1,872,272 | (191,709) |
| ING Index Plus SmallCap Portfolio - Class S | 8,484 | 5,753 | 2,731 | 1,274 | 821 | 453 |
| ING International Index Portfolio - Class I | 652,390 | 642,818 | 9,572 | 635,621 | 702,663 | (67,042) |
| ING International Index Portfolio - Class S | 1,759 | 2,148 | (389) | 1,854 | 2,371 | (517) |
| ING Russell™ Large Cap Growth Index Portfolio - Class I | 250,605 | 157,536 | 93,069 | 197,098 | 143,691 | 53,407 |
| ING Russell™ Large Cap Growth Index Portfolio - Class S | 47,175 | 43,117 | 4,058 | 19,313 | 11,164 | 8,149 |
| ING Russell™ Large Cap Index Portfolio - Class I | 666,388 | 447,636 | 218,752 | 585,390 | 480,629 | 104,761 |
| ING Russell™ Large Cap Index Portfolio - Class S | - | 35 | (35) | 698 | 15 | 683 |
| ING Russell™ Large Cap Value Index Portfolio - Class I | 4,635 | 1,581 | 3,054 | 10,217 | 5,704 | 4,513 |
| ING Russell™ Large Cap Value Index Portfolio - Class S | 145,739 | 110,586 | 35,153 | 116,940 | 101,661 | 15,279 |
| ING Russell™ Mid Cap Growth Index Portfolio - Class S | 201,408 | 156,834 | 44,574 | 140,230 | 87,096 | 53,134 |
| ING Russell™ Mid Cap Index Portfolio - Class I | 418,472 | 270,989 | 147,483 | 368,526 | 163,485 | 205,041 |
| ING Russell™ Small Cap Index Portfolio - Class I | 461,382 | 295,679 | 165,703 | 390,566 | 133,652 | 256,914 |
| ING Small Company Portfolio - Class I | 891,207 | 1,216,714 | (325,507) | 1,396,919 | 1,446,648 | (49,729) |
| ING Small Company Portfolio - Class S | 3,269 | 245 | 3,024 | 584 | 324 | 260 |
| ING U.S. Bond Index Portfolio - Class I | 724,398 | 407,676 | 316,722 | 463,662 | 354,446 | 109,216 |
| ING Variable Products Trust: | | | | | | |
| ING International Value Portfolio - Class I | 940,040 | 1,721,098 | (781,058) | 4,793,317 | 6,475,410 | (1,682,093) |
| ING International Value Portfolio - Class S | 3,371 | 4,711 | (1,340) | 2,662 | 4,962 | (2,300) |
| ING MidCap Opportunities Portfolio - Class I | 1,207,850 | 646,052 | 561,798 | 828,669 | 416,673 | 411,996 |
| ING MidCap Opportunities Portfolio - Class S | 66,193 | 99,938 | (33,745) | 195,227 | 19,773 | 175,454 |
| ING SmallCap Opportunities Portfolio - Class I | 1,173,326 | 1,057,523 | 115,803 | 932,173 | 472,610 | 459,563 |
| ING SmallCap Opportunities Portfolio - Class S | 1,327 | 10,320 | (8,993) | 10,799 | 1,303 | 9,496 |

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|---|------------------------|-------------------|----------------------------|-----------------|-------------------|----------------------------|
| | 2011 | | | 2010 | | |
| | Units Issued | Units Redeemed | Net Increase (Decrease) | Units Issued | Units Redeemed | Net Increase (Decrease) |
| Invesco Growth Series: | | | | | | |
| Invesco Mid Cap Core Equity Fund - Class A | 123,436 | 114,044 | 9,392 | 410,411 | 228,358 | 182,053 |
| Invesco Small Cap Growth Fund - Class A | 777 | 1,409 | (632) | 567 | 375 | 192 |
| Invesco Investment Funds: | | | | | | |
| Invesco Endeavor Fund - Class A | 12 | - | 12 | - | - | - |
| Invesco Global Health Care Fund - Investor Class | 6,490 | 6,952 | (462) | 3,564 | 3,182 | 382 |
| Invesco Sector Funds: | | | | | | |
| Invesco U.S. Small Cap Value Fund - Class Y | 380,216 | 843,667 | (463,451) | 492,901 | 210,227 | 282,674 |
| Invesco Van Kampen Small Cap Value Fund - Class A | 8,719 | 10,521 | (1,802) | 10,424 | 8,777 | 1,647 |
| Invesco Van Kampen Small Cap Value Fund - Class Y | 1,227,672 | 203,653 | 1,024,019 | - | - | - |
| Invesco Variable Insurance Funds: | | | | | | |
| Invesco V.I. Capital Appreciation Fund - Series I Shares | 364,883 | 530,972 | (166,089) | 405,953 | 541,733 | (135,780) |
| Invesco V.I. Core Equity Fund - Series I Shares | 491,114 | 817,693 | (326,579) | 692,392 | 1,030,987 | (338,595) |
| Janus Aspen Series: | | | | | | |
| Janus Aspen Series Balanced Portfolio - Institutional Shares | 502 | 4,840 | (4,338) | 555 | 1,795 | (1,240) |
| Janus Aspen Series Enterprise Portfolio - Institutional Shares | 638 | 1,936 | (1,298) | 1,111 | 2,728 | (1,617) |
| Janus Aspen Series Flexible Bond Portfolio - Institutional Shares | 596 | 3,256 | (2,660) | 334 | 370 | (36) |
| Janus Aspen Series Janus Portfolio - Institutional Shares | 133 | 1,264 | (1,131) | 181 | 827 | (646) |
| Janus Aspen Series Worldwide Portfolio - Institutional Shares | 701 | 2,386 | (1,685) | 749 | 2,609 | (1,860) |
| The Lazard Funds, Inc.: | | | | | | |
| Lazard Emerging Markets Equity Portfolio - Open Shares | 3 | 19 | (16) | 16 | - | 16 |
| Lazard U.S. Mid Cap Equity Portfolio - Open Shares | 319,194 | 154,166 | 165,028 | 3,079,970 | 2,951,821 | 128,149 |
| LKCM Funds: | | | | | | |
| LKCM Aquinas Growth Fund | 24,980 | 23,598 | 1,382 | 8,459 | 8,186 | 273 |
| Loomis Sayles Funds I: | | | | | | |
| Loomis Sayles Small Cap Value Fund - Retail Class | 426,317 | 171,051 | 255,266 | 229,861 | 93,438 | 136,423 |
| Lord Abbett Developing Growth Fund, Inc.: | | | | | | |
| Lord Abbett Developing Growth Fund, Inc. - Class A | 6,620 | 2,549 | 4,071 | 1,330 | - | 1,330 |
| Lord Abbett Investment Trust: | | | | | | |
| Lord Abbett Core Fixed Income Fund - Class A | 4,680 | 186 | 4,494 | 373 | - | 373 |

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| | 2011 | | | 2010 | | |
| | Units Issued | Units Redeemed | Net Increase (Decrease) | Units Issued | Units Redeemed | Net Increase (Decrease) |
| Lord Abbett Mid Cap Value Fund, Inc.: | | | | | | |
| Lord Abbett Mid-Cap Value Fund, Inc. - Class A | 70,508 | 73,959 | (3,451) | 60,884 | 51,265 | 9,619 |
| Lord Abbett Research Fund, Inc.: | | | | | | |
| Lord Abbett Small-Cap Value Fund - Class A | 26,472 | 55,454 | (28,982) | 22,890 | 18,549 | 4,341 |
| Lord Abbett Securities Trust: | | | | | | |
| Lord Abbett Fundamental Equity Fund - Class A | 5,471 | 1,620 | 3,851 | - | - | - |
| Lord Abbett Series Fund, Inc.: | | | | | | |
| Lord Abbett Series Fund - Mid-Cap Value Portfolio - Class VC | 1,618,785 | 1,811,827 | (193,042) | 2,860,586 | 3,672,153 | (811,567) |
| Massachusetts Investors Growth Stock Fund: | | | | | | |
| Massachusetts Investors Growth Stock Fund - Class A | 27,552 | 23,357 | 4,195 | 11,225 | 8,553 | 2,672 |
| Neuberger Berman Equity Funds®: | | | | | | |
| Neuberger Berman Genesis Fund® - Trust Class | 5,514 | 35 | 5,479 | - | - | - |
| Neuberger Berman Socially Responsive Fund® - Trust Class | 693,763 | 352,421 | 341,342 | 352,938 | 116,809 | 236,129 |
| New Perspective Fund®, Inc.: | | | | | | |
| New Perspective Fund®, Inc. - Class R-3 | 106,824 | 137,030 | (30,206) | 76,107 | 82,396 | (6,289) |
| New Perspective Fund®, Inc. - Class R-4 | 1,214,021 | 1,182,941 | 31,080 | 1,572,107 | 1,185,274 | 386,833 |
| Oppenheimer Capital Appreciation Fund: | | | | | | |
| Oppenheimer Capital Appreciation Fund - Class A | 12,403 | 16,627 | (4,224) | 20,859 | 32,637 | (11,778) |
| Oppenheimer Developing Markets Fund: | | | | | | |
| Oppenheimer Developing Markets Fund - Class A | 1,258,395 | 1,364,201 | (105,806) | 1,586,240 | 1,325,152 | 261,088 |
| Oppenheimer Gold & Special Minerals Fund: | | | | | | |
| Oppenheimer Gold & Special Minerals Fund - Class A | 2,807 | 4,409 | (1,602) | 2,145 | - | 2,145 |
| Oppenheimer International Bond Fund: | | | | | | |
| Oppenheimer International Bond Fund - Class A | 8,520 | 771 | 7,749 | 4,839 | 8 | 4,831 |
| Oppenheimer Variable Account Funds: | | | | | | |
| Oppenheimer Global Securities/VA | 476 | 2,767 | (2,291) | 727 | 2,086 | (1,359) |
| Oppenheimer Global Strategic Income Fund/VA | 246 | 595 | (349) | 194 | 494 | (300) |
| Oppenheimer Main Street Fund®/VA | - | 926 | (926) | - | 933 | (933) |
| Oppenheimer Main Street Small- & Mid-Cap Fund®/VA | 218,051 | 270,198 | (52,147) | 350,892 | 324,799 | 26,093 |
| Oppenheimer Small- & Mid-Cap Growth Fund/VA | - | 464 | (464) | - | 479 | (479) |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| | Year Ended December 31 | | | | | |
|---|------------------------|-------------------|----------------------------|-----------------|-------------------|----------------------------|
| | 2011 | | | 2010 | | |
| | Units Issued | Units Redeemed | Net Increase (Decrease) | Units Issued | Units Redeemed | Net Increase (Decrease) |
| Parnassus Income Funds: | | | | | | |
| Parnassus Equity Income Fund - Investor Shares | 2,997 | - | 2,997 | - | - | - |
| Pax World Funds Series Trust I: | | | | | | |
| Pax World Balanced Fund - Individual Investor Class | 674,437 | 992,935 | (318,498) | 1,037,222 | 1,637,613 | (600,391) |
| PIMCO Variable Insurance Trust: | | | | | | |
| PIMCO Real Return Portfolio - Administrative Class | 5,687,875 | 3,878,698 | 1,809,177 | 5,319,825 | 2,559,581 | 2,760,244 |
| Pioneer High Yield Fund: | | | | | | |
| Pioneer High Yield Fund - Class A | 129,379 | 164,025 | (34,646) | 103,633 | 138,528 | (34,895) |
| Pioneer Strategic Income Fund: | | | | | | |
| Pioneer Strategic Income Fund - Class A | 22,477 | 163 | 22,314 | - | - | - |
| Pioneer Variable Contracts Trust: | | | | | | |
| Pioneer Emerging Markets VCT Portfolio - Class I | 774,618 | 1,293,891 | (519,273) | 1,520,737 | 1,791,851 | (271,114) |
| Pioneer High Yield VCT Portfolio - Class I | 609,893 | 537,946 | 71,947 | 525,939 | 542,695 | (16,756) |
| Pioneer Mid Cap Value VCT Portfolio - Class I | 7 | - | 7 | 87 | 87 | - |
| RiverSource® Investment Series, Inc.: | | | | | | |
| Columbia Diversified Equity Income Fund - Class R-3 | 1,425 | 11,122 | (9,697) | 48,573 | 60,606 | (12,033) |
| Columbia Diversified Equity Income Fund - Class R-4 | 427,205 | 327,715 | 99,490 | 565,912 | 386,517 | 179,395 |
| The Royce Fund: | | | | | | |
| Royce Total Return Fund - Class K | 3 | - | 3 | - | - | - |
| SmallCap World Fund, Inc.: | | | | | | |
| SMALLCAP World Fund® - Class R-4 | 506,249 | 422,821 | 83,428 | 926,596 | 570,640 | 355,956 |
| T. Rowe Price Mid-Cap Value Fund, Inc.: | | | | | | |
| T. Rowe Price Mid-Cap Value Fund - R Class | 22,130 | 31,238 | (9,108) | 35,244 | 56,857 | (21,613) |
| T. Rowe Price Value Fund, Inc.: | | | | | | |
| T. Rowe Price Value Fund - Advisor Class | 4,348 | 2,876 | 1,472 | 4,551 | 944 | 3,607 |
| Templeton Funds, Inc.: | | | | | | |
| Templeton Foreign Fund - Class A | 56,362 | 46,312 | 10,050 | 53,808 | 63,196 | (9,388) |
| Templeton Income Trust: | | | | | | |
| Templeton Global Bond Fund - Class A | 3,398,232 | 3,032,077 | 366,155 | 4,006,876 | 2,510,372 | 1,496,504 |
| Thornburg Investment Trust: | | | | | | |
| Thornburg International Value Fund - Class R4 | 5,386 | 19 | 5,367 | - | - | - |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| | Year Ended December 31 | | | | | |
|---|------------------------|-------------------|----------------------------|-----------------|-------------------|----------------------------|
| | 2011 | | | 2010 | | |
| | Units Issued | Units Redeemed | Net Increase (Decrease) | Units Issued | Units Redeemed | Net Increase (Decrease) |
| USAA Investment Trust: | | | | | | |
| USAA Precious Metals and Minerals Fund - Adviser Shares | 761,742 | 210,142 | 551,600 | - | - | - |
| Vanguard® Variable Insurance Fund: | | | | | | |
| Diversified Value Portfolio | 279 | 813 | (534) | 457 | 824 | (367) |
| Equity Income Portfolio | 3,888 | 2,399 | 1,489 | 9,470 | 5,731 | 3,739 |
| Small Company Growth Portfolio | 3,823 | 5,230 | (1,407) | 916 | 1,760 | (844) |
| The Victory Portfolios: | | | | | | |
| Victory Small Company Opportunity Fund - Class R | 110 | - | 110 | - | - | - |
| Wanger Advisors Trust: | | | | | | |
| Wanger International | 1,331,698 | 1,027,764 | 303,934 | 1,863,069 | 1,094,125 | 768,944 |
| Wanger Select | 1,615,339 | 2,027,808 | (412,469) | 2,768,704 | 1,782,379 | 986,325 |
| Wanger USA | 1,285,069 | 878,753 | 406,316 | 1,143,820 | 717,960 | 425,860 |
| Washington Mutual Investors Fund SM , Inc.: | | | | | | |
| Washington Mutual Investors Fund SM , Inc. - Class R-3 | 167,382 | 195,225 | (27,843) | 193,839 | 211,201 | (17,362) |
| Washington Mutual Investors Fund SM , Inc. - Class R-4 | 1,751,765 | 1,711,423 | 40,342 | 2,121,584 | 2,260,584 | (139,000) |
| Wells Fargo Funds Trust: | | | | | | |
| Wells Fargo Advantage Small Cap Value Fund - Class A | 1,482 | 1,465 | 17 | 1,874 | 812 | 1,062 |
| Wells Fargo Advantage Special Small Cap Values Fund - Class A | 731,511 | 1,052,948 | (321,437) | 1,213,703 | 1,269,628 | (55,925) |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

9. Unit Summary

A summary of units outstanding at December 31, 2011 follows:

| Division/Contract | Units | Unit Value | Extended Value |
|---|--------------------|-------------------|-----------------------|
| Alger Green Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP11 | 11.573 | \$ 8.48 | \$ 98 |
| ING MAP PLUS NP18 | 165.085 | 8.37 | 1,382 |
| ING MAP PLUS NP26 | 410.341 | 8.25 | 3,385 |
| Qualified V | 2.116 | 13.06 | 28 |
| Qualified VI | 33,166.764 | 13.12 | 435,148 |
| Qualified XII (0.25) | 15.442 | 13.47 | 208 |
| Qualified XII (0.30) | 160.735 | 13.45 | 2,162 |
| Qualified XII (0.40) | 4.045 | 13.42 | 54 |
| Qualified XII (0.50) | 626.539 | 13.38 | 8,383 |
| Qualified XII (0.55) | 80.778 | 13.36 | 1,079 |
| Qualified XII (0.60) | 70.668 | 13.35 | 943 |
| Qualified XII (0.70) | 2,569.330 | 13.31 | 34,198 |
| Qualified XII (0.75) | 6,116.829 | 13.29 | 81,293 |
| Qualified XII (0.80) | 1,423.727 | 13.28 | 18,907 |
| Qualified XII (0.85) | 8,945.155 | 13.26 | 118,613 |
| Qualified XII (0.95) | 5,953.669 | 13.22 | 78,708 |
| Qualified XII (1.00) | 25,734.343 | 13.21 | 339,951 |
| Qualified XII (1.05) | 232.339 | 13.19 | 3,065 |
| Qualified XII (1.10) | 668.970 | 13.17 | 8,810 |
| Qualified XII (1.15) | 1,075.437 | 13.15 | 14,142 |
| Qualified XII (1.20) | 13.795 | 13.14 | 181 |
| Qualified XII (1.25) | 3,363.202 | 13.12 | 44,125 |
| Qualified XII (1.30) | 19.025 | 13.10 | 249 |
| Qualified XII (1.35) | 762.137 | 13.08 | 9,969 |
| Qualified XII (1.40) | 49.384 | 13.07 | 645 |
| Qualified XII (1.45) | 416.652 | 13.05 | 5,437 |
| Qualified XVI | 910.074 | 13.03 | 11,858 |
| Qualified XXVII | 26,468.933 | 13.48 | 356,801 |
| Qualified XXXIV | 1,259.990 | 13.24 | 16,682 |
| Qualified XXXVIII | 1,803.133 | 13.56 | 24,450 |
| Qualified LIV | 46.484 | 13.28 | 617 |
| | <u>122,546.694</u> | | <u>\$ 1,621,571</u> |
| AllianceBernstein Growth and Income Fund, Inc. - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP9 | 4.340 | \$ 11.32 | \$ 49 |
| ING MAP PLUS NP13 | 3,765.764 | 11.15 | 41,988 |
| ING MAP PLUS NP15 | 4,971.632 | 11.06 | 54,986 |
| ING MAP PLUS NP19 | 6,668.838 | 10.89 | 72,624 |
| ING MAP PLUS NP23 | 204.615 | 10.71 | 2,191 |
| | <u>15,615.189</u> | | <u>\$ 171,838</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 Portfolio - Class A | | | |
| Contracts in accumulation period: | | | |
| Qualified X (1.15) | 17,313.294 | \$ 11.57 | \$ 200,315 |
| Qualified X (1.25) | 23,794.944 | 11.48 | 273,166 |
| | <u>41,108.238</u> | | <u>\$ 473,481</u> |
| Allianz NFJ Dividend Value Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP13 | 5,004.512 | \$ 14.03 | \$ 70,213 |
| ING MAP PLUS NP17 | 7,791.571 | 13.95 | 108,692 |
| | <u>12,796.083</u> | | <u>\$ 178,905</u> |
| Allianz NFJ Large-Cap Value Fund - Institutional Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XLII | 370,099.333 | \$ 8.19 | \$ 3,031,114 |
| Qualified LIV | 3,993.727 | 7.95 | 31,750 |
| | <u>374,093.060</u> | | <u>\$ 3,062,864</u> |
| Allianz NFJ Small-Cap Value Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP8 | 2,654.444 | \$ 18.68 | \$ 49,585 |
| ING MAP PLUS NP11 | 1,901.983 | 18.46 | 35,111 |
| ING MAP PLUS NP14 | 2,742.107 | 18.25 | 50,043 |
| ING MAP PLUS NP15 | 171.937 | 18.17 | 3,124 |
| ING MAP PLUS NP17 | 1,048.884 | 18.03 | 18,911 |
| ING MAP PLUS NP18 | 1,332.674 | 17.96 | 23,935 |
| ING MAP PLUS NP21 | 8,858.194 | 17.75 | 157,233 |
| ING MAP PLUS NP23 | 3,158.376 | 17.61 | 55,619 |
| ING MAP PLUS NP28 | 30.995 | 17.26 | 535 |
| ING MAP PLUS NP30 | 43.207 | 17.13 | 740 |
| | <u>21,942.801</u> | | <u>\$ 394,836</u> |
| Amana Growth Fund | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 2,071.904 | \$ 13.61 | \$ 28,199 |
| ING Custom Choice 65 | 936.573 | 13.92 | 13,037 |
| ING MAP PLUS NP11 | 5,479.688 | 13.79 | 75,565 |
| ING MAP PLUS NP13 | 248.389 | 13.75 | 3,415 |
| ING MAP PLUS NP17 | 13,409.066 | 13.68 | 183,436 |
| ING MAP PLUS NP18 | 84.250 | 13.66 | 1,151 |
| ING MAP PLUS NP23 | 1,090.365 | 13.57 | 14,796 |
| ING MAP PLUS NP26 | 843.069 | 13.52 | 11,398 |
| ING MAP PLUS NP28 | 2,165.398 | 13.48 | 29,190 |
| Qualified VI | 336,271.134 | 13.61 | 4,576,650 |
| Qualified XII (0.00) | 8,320.648 | 11.09 | 92,276 |
| Qualified XII (0.05) | 54,724.184 | 14.07 | 769,969 |
| Qualified XII (0.30) | 19,812.694 | 10.97 | 217,345 |
| Qualified XII (0.40) | 9,072.816 | 10.94 | 99,257 |
| Qualified XII (0.50) | 19,896.275 | 10.90 | 216,869 |
| Qualified XII (0.55) | 3,805.015 | 10.88 | 41,399 |
| Qualified XII (0.60) | 6,114.198 | 10.86 | 66,400 |
| Qualified XII (0.65) | 23,976.280 | 10.85 | 260,143 |
| Qualified XII (0.70) | 8,888.423 | 10.83 | 96,262 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--------------------------------------|----------------------|-------------------|-----------------------|
| Amana Growth Fund (continued) | | | |
| Qualified XII (0.75) | 231,386.164 | \$ 10.81 | \$ 2,501,284 |
| Qualified XII (0.80) | 29,213.613 | 10.79 | 315,215 |
| Qualified XII (0.85) | 199,119.755 | 10.77 | 2,144,520 |
| Qualified XII (0.90) | 2,167.438 | 10.76 | 23,322 |
| Qualified XII (0.95) | 65,872.608 | 10.74 | 707,472 |
| Qualified XII (1.00) | 1,059,045.715 | 10.72 | 11,352,970 |
| Qualified XII (1.05) | 1,670.055 | 10.70 | 17,870 |
| Qualified XII (1.10) | 13,561.092 | 10.68 | 144,832 |
| Qualified XII (1.15) | 1,768.747 | 10.67 | 18,873 |
| Qualified XII (1.20) | 7,014.470 | 10.65 | 74,704 |
| Qualified XII (1.25) | 40,445.484 | 10.63 | 429,935 |
| Qualified XII (1.30) | 679.615 | 10.61 | 7,211 |
| Qualified XII (1.35) | 494.741 | 10.59 | 5,239 |
| Qualified XII (1.40) | 4,952.810 | 10.58 | 52,401 |
| Qualified XII (1.45) | 17.380 | 10.56 | 184 |
| Qualified XII (1.50) | 1,504.834 | 10.54 | 15,861 |
| Qualified XVI | 10,347.346 | 13.52 | 139,896 |
| Qualified XXVII | 157,697.720 | 13.87 | 2,187,267 |
| Qualified XXXIV | 242.531 | 10.79 | 2,617 |
| Qualified XXXVIII | 11,175.922 | 11.09 | 123,941 |
| Qualified XLIII | 93.226 | 13.79 | 1,286 |
| Qualified LIV | 42,817.728 | 13.77 | 589,600 |
| Qualified LVI | 12,153.215 | 13.97 | 169,780 |
| | <u>2,410,652.578</u> | | <u>\$ 27,823,037</u> |
| Amana Income Fund | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 1,729.272 | \$ 13.40 | \$ 23,172 |
| ING Custom Choice 65 | 1,089.115 | 13.70 | 14,921 |
| ING MAP PLUS NP8 | 2,533.172 | 13.63 | 34,527 |
| ING MAP PLUS NP11 | 2,308.168 | 13.58 | 31,345 |
| ING MAP PLUS NP16 | 977.114 | 13.49 | 13,181 |
| ING MAP PLUS NP18 | 260.506 | 13.45 | 3,504 |
| ING MAP PLUS NP21 | 29.596 | 13.40 | 397 |
| ING MAP PLUS NP22 | 229.233 | 13.38 | 3,067 |
| ING MAP PLUS NP23 | 1,429.674 | 13.36 | 19,100 |
| ING MAP PLUS NP26 | 550.846 | 13.31 | 7,332 |
| Qualified VI | 490,629.610 | 13.40 | 6,574,437 |
| Qualified XII (0.05) | 64,747.186 | 13.85 | 896,749 |
| Qualified XII (0.30) | 25,060.349 | 11.37 | 284,936 |
| Qualified XII (0.40) | 19,394.878 | 11.33 | 219,744 |
| Qualified XII (0.50) | 17,812.705 | 11.29 | 201,105 |
| Qualified XII (0.55) | 888.754 | 11.27 | 10,016 |
| Qualified XII (0.60) | 10,379.916 | 11.25 | 116,774 |
| Qualified XII (0.65) | 30,652.705 | 11.23 | 344,230 |
| Qualified XII (0.70) | 36,413.326 | 11.21 | 408,193 |
| Qualified XII (0.75) | 536,141.325 | 11.20 | 6,004,783 |
| Qualified XII (0.80) | 74,524.808 | 11.18 | 833,187 |
| Qualified XII (0.85) | 307,772.632 | 11.16 | 3,434,743 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|----------------------|-------------------|-----------------------|
| Amana Income Fund (continued) | | | |
| Qualified XII (0.90) | 1,046.048 | \$ 11.14 | \$ 11,653 |
| Qualified XII (0.95) | 103,854.922 | 11.12 | 1,154,867 |
| Qualified XII (1.00) | 802,324.323 | 11.10 | 8,905,800 |
| Qualified XII (1.05) | 63.713 | 11.08 | 706 |
| Qualified XII (1.10) | 22,336.818 | 11.06 | 247,045 |
| Qualified XII (1.15) | 3,378.518 | 11.05 | 37,333 |
| Qualified XII (1.20) | 1,772.784 | 11.03 | 19,554 |
| Qualified XII (1.25) | 46,766.296 | 11.01 | 514,897 |
| Qualified XII (1.35) | 488.466 | 10.97 | 5,358 |
| Qualified XII (1.40) | 1,716.388 | 10.95 | 18,794 |
| Qualified XII (1.45) | 0.989 | 10.94 | 11 |
| Qualified XII (1.50) | 1,614.243 | 10.92 | 17,628 |
| Qualified XVI | 17,407.537 | 13.31 | 231,694 |
| Qualified XXVII | 588,358.311 | 13.94 | 8,201,715 |
| Qualified XXXIV | 1,345.785 | 11.17 | 15,032 |
| Qualified XXXVIII | 18,982.724 | 11.48 | 217,922 |
| Qualified XLIII | 132.505 | 13.58 | 1,799 |
| Qualified LIV | 94,261.961 | 13.56 | 1,278,192 |
| Qualified LVI | 4,237.836 | 13.76 | 58,313 |
| | <u>3,335,645.057</u> | | <u>\$ 40,417,756</u> |
| American Balanced Fund® - Class R-3 | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 25,430.844 | \$ 13.50 | \$ 343,316 |
| ING MAP PLUS NP6 | 766.319 | 13.24 | 10,146 |
| ING MAP PLUS NP8 | 44,233.033 | 13.14 | 581,222 |
| ING MAP PLUS NP9 | 147,369.115 | 13.08 | 1,927,588 |
| ING MAP PLUS NP11 | 8,504.324 | 12.98 | 110,386 |
| ING MAP PLUS NP12 | 119.129 | 12.93 | 1,540 |
| ING MAP PLUS NP13 | 473.788 | 12.88 | 6,102 |
| ING MAP PLUS NP14 | 16,759.617 | 12.83 | 215,026 |
| ING MAP PLUS NP15 | 27,910.668 | 12.78 | 356,698 |
| ING MAP PLUS NP16 | 3,435.521 | 12.73 | 43,734 |
| ING MAP PLUS NP17 | 13,680.982 | 12.68 | 173,475 |
| ING MAP PLUS NP18 | 5,311.825 | 12.63 | 67,088 |
| ING MAP PLUS NP19 | 13,863.177 | 12.58 | 174,399 |
| ING MAP PLUS NP20 | 54,471.069 | 12.53 | 682,522 |
| ING MAP PLUS NP21 | 55,804.850 | 12.48 | 696,445 |
| ING MAP PLUS NP22 | 2,068.566 | 12.43 | 25,712 |
| ING MAP PLUS NP23 | 8,057.427 | 12.38 | 99,751 |
| ING MAP PLUS NP24 | 2,262.600 | 12.33 | 27,898 |
| ING MAP PLUS NP25 | 13.349 | 12.28 | 164 |
| ING MAP PLUS NP26 | 1,801.564 | 12.23 | 22,033 |
| ING MAP PLUS NP27 | 9,761.286 | 12.19 | 118,990 |
| ING MAP PLUS NP28 | 661.748 | 12.14 | 8,034 |
| ING MAP PLUS NP29 | 1,070.717 | 12.09 | 12,945 |
| ING MAP PLUS NP30 | 975.320 | 12.04 | 11,743 |
| ING MAP PLUS NP32 | 748.919 | 11.95 | 8,950 |
| | <u>445,555.757</u> | | <u>\$ 5,725,907</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---|----------------------|-------------------|-----------------------|
| American Century Inflation-Adjusted Bond Fund - Investor Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 9,300.150 | \$ 12.43 | \$ 115,601 |
| ING Custom Choice 65 | 5,865.520 | 12.72 | 74,609 |
| ING MAP PLUS NP9 | 13,403.994 | 12.60 | 168,890 |
| ING MAP PLUS NP11 | 49,703.574 | 12.57 | 624,774 |
| ING MAP PLUS NP12 | 3,175.925 | 12.55 | 39,858 |
| ING MAP PLUS NP17 | 8,262.273 | 12.47 | 103,031 |
| ING MAP PLUS NP18 | 1,883.646 | 12.45 | 23,451 |
| ING MAP PLUS NP23 | 8,887.551 | 12.37 | 109,939 |
| ING MAP PLUS NP26 | 4,223.562 | 12.32 | 52,034 |
| ING MAP PLUS NP32 | 69.047 | 12.22 | 844 |
| Qualified V | 208.864 | 12.38 | 2,586 |
| Qualified VI | 591,125.743 | 12.43 | 7,347,693 |
| Qualified VIII | 155.385 | 12.43 | 1,931 |
| Qualified XII (0.00) | 4,742.487 | 12.85 | 60,941 |
| Qualified XII (0.25) | 9,470.381 | 12.77 | 120,937 |
| Qualified XII (0.30) | 2,392.329 | 12.75 | 30,502 |
| Qualified XII (0.40) | 20,751.149 | 12.72 | 263,955 |
| Qualified XII (0.50) | 18,127.541 | 12.68 | 229,857 |
| Qualified XII (0.55) | 274.030 | 12.67 | 3,472 |
| Qualified XII (0.60) | 5,162.770 | 12.65 | 65,309 |
| Qualified XII (0.65) | 20,226.507 | 12.63 | 255,461 |
| Qualified XII (0.70) | 16,893.453 | 12.62 | 213,195 |
| Qualified XII (0.75) | 142,893.615 | 12.60 | 1,800,460 |
| Qualified XII (0.80) | 88,785.468 | 12.58 | 1,116,921 |
| Qualified XII (0.85) | 296,243.072 | 12.57 | 3,723,775 |
| Qualified XII (0.90) | 11,764.077 | 12.55 | 147,639 |
| Qualified XII (0.95) | 94,772.938 | 12.53 | 1,187,505 |
| Qualified XII (1.00) | 419,595.978 | 12.52 | 5,253,342 |
| Qualified XII (1.05) | 16,980.445 | 12.50 | 212,256 |
| Qualified XII (1.10) | 13,100.242 | 12.48 | 163,491 |
| Qualified XII (1.15) | 18,747.460 | 12.47 | 233,781 |
| Qualified XII (1.20) | 1,740.869 | 12.45 | 21,674 |
| Qualified XII (1.25) | 49,935.732 | 12.43 | 620,701 |
| Qualified XII (1.30) | 154.187 | 12.42 | 1,915 |
| Qualified XII (1.40) | 4,209.331 | 12.39 | 52,154 |
| Qualified XII (1.50) | 768.119 | 12.35 | 9,486 |
| Qualified XVI | 13,052.321 | 12.35 | 161,196 |
| Qualified XXVII | 1,424,630.822 | 12.49 | 17,793,639 |
| Qualified XXXIV | 735.246 | 12.55 | 9,227 |
| Qualified XXXVIII | 23,328.643 | 12.85 | 299,773 |
| Qualified XLIII | 237.948 | 12.60 | 2,998 |
| Qualified LIV | 13,466.710 | 12.58 | 169,411 |
| Qualified LVI | 54,758.394 | 12.77 | 699,265 |
| | <u>3,484,207.498</u> | | <u>\$ 43,589,479</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> |
|--|--------------------|-------------------|-----------------------|
| American Century Income & Growth Fund - A Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XII (1.00) | 289.355 | \$ 31.52 | \$ 9,120 |
| Qualified XXVII | 522,289.822 | 10.19 | 5,322,133 |
| | <u>522,579.177</u> | | <u>\$ 5,331,253</u> |
| American Funds American Mutual Fund® - Class R-4 | | | |
| Contracts in accumulation period: | | | |
| Qualified XII (0.75) | 88.000 | \$ 10.54 | \$ 928 |
| Qualified XII (0.95) | 12.332 | 10.52 | 130 |
| Qualified XII (1.00) | 266.658 | 10.51 | 2,803 |
| Qualified XII (1.25) | 16.994 | 10.48 | 178 |
| Qualified XII (1.40) | 190.065 | 10.47 | 1,990 |
| | <u>574.049</u> | | <u>\$ 6,029</u> |
| Ariel Appreciation Fund | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP6 | 3,854.370 | \$ 12.66 | \$ 48,796 |
| ING MAP PLUS NP8 | 15,036.553 | 12.56 | 188,859 |
| ING MAP PLUS NP9 | 2,370.928 | 12.51 | 29,660 |
| ING MAP PLUS NP11 | 10,573.579 | 12.42 | 131,324 |
| ING MAP PLUS NP13 | 1,474.348 | 12.32 | 18,164 |
| ING MAP PLUS NP14 | 3,259.446 | 12.27 | 39,993 |
| ING MAP PLUS NP15 | 12,728.669 | 12.22 | 155,544 |
| ING MAP PLUS NP17 | 128.366 | 12.13 | 1,557 |
| ING MAP PLUS NP18 | 10.822 | 12.08 | 131 |
| ING MAP PLUS NP19 | 1.902 | 12.03 | 23 |
| ING MAP PLUS NP21 | 807.557 | 11.93 | 9,634 |
| ING MAP PLUS NP22 | 1,074.453 | 11.89 | 12,775 |
| ING MAP PLUS NP23 | 2,891.824 | 11.84 | 34,239 |
| ING MAP PLUS NP26 | 201.662 | 11.70 | 2,359 |
| ING MAP PLUS NP28 | 82.232 | 11.61 | 955 |
| ING MAP PLUS NP32 | 443.184 | 11.43 | 5,066 |
| | <u>54,939.895</u> | | <u>\$ 679,079</u> |
| Ariel Fund | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 473.144 | \$ 10.10 | \$ 4,779 |
| ING Custom Choice 65 | 5,887.346 | 10.25 | 60,345 |
| ING MAP PLUS NP8 | 11,836.193 | 11.58 | 137,063 |
| ING MAP PLUS NP9 | 7,336.951 | 11.53 | 84,595 |
| ING MAP PLUS NP13 | 3,268.905 | 11.35 | 37,102 |
| ING MAP PLUS NP14 | 15,939.312 | 11.30 | 180,114 |
| ING MAP PLUS NP15 | 21,622.503 | 11.26 | 243,469 |
| ING MAP PLUS NP17 | 24,556.202 | 11.17 | 274,293 |
| ING MAP PLUS NP19 | 1,522.902 | 11.08 | 16,874 |
| ING MAP PLUS NP20 | 6,628.966 | 11.04 | 73,184 |
| ING MAP PLUS NP21 | 1,100.062 | 11.00 | 12,101 |
| ING MAP PLUS NP22 | 779.283 | 10.95 | 8,533 |
| ING MAP PLUS NP23 | 4,247.740 | 10.91 | 46,343 |
| ING MAP PLUS NP25 | 1,314.392 | 10.82 | 14,222 |
| ING MAP PLUS NP26 | 728.092 | 10.78 | 7,849 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---|--------------------|-------------------|-----------------------|
| Ariel Fund (continued) | | | |
| ING MAP PLUS NP27 | 90.995 | \$ 10.74 | \$ 977 |
| ING MAP PLUS NP28 | 193.389 | 10.70 | 2,069 |
| Qualified VI | 83,460.428 | 10.10 | 842,950 |
| Qualified XII (0.25) | 96.460 | 15.99 | 1,542 |
| Qualified XII (0.40) | 895.691 | 15.74 | 14,098 |
| Qualified XII (0.50) | 1,579.221 | 15.58 | 24,604 |
| Qualified XII (0.60) | 691.125 | 15.41 | 10,650 |
| Qualified XII (0.65) | 322.701 | 15.33 | 4,947 |
| Qualified XII (0.70) | 1,273.542 | 15.25 | 19,422 |
| Qualified XII (0.75) | 2,131.423 | 15.17 | 32,334 |
| Qualified XII (0.80) | 3,312.687 | 15.09 | 49,988 |
| Qualified XII (0.85) | 37,165.784 | 10.17 | 377,976 |
| Qualified XII (0.90) | 335.413 | 14.94 | 5,011 |
| Qualified XII (0.95) | 9,880.426 | 10.15 | 100,286 |
| Qualified XII (1.00) | 21,326.042 | 10.15 | 216,459 |
| Qualified XII (1.05) | 1,821.095 | 10.14 | 18,466 |
| Qualified XII (1.10) | 2,225.634 | 10.13 | 22,546 |
| Qualified XII (1.15) | 693.691 | 10.12 | 7,020 |
| Qualified XII (1.25) | 2,015.001 | 10.10 | 20,352 |
| Qualified XVI | 295.746 | 10.06 | 2,975 |
| Qualified XXXIV | 1,532.969 | 10.16 | 15,575 |
| Qualified XXXVIII | 814.180 | 10.31 | 8,394 |
| Qualified LIV | 6,050.946 | 10.18 | 61,599 |
| Qualified LVI | 299.388 | 10.27 | 3,075 |
| | <u>285,745.970</u> | | <u>\$ 3,064,181</u> |
| Artisan International Fund - Investor Shares | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 303.845 | \$ 7.35 | \$ 2,233 |
| ING Custom Choice 65 | 496.047 | 7.58 | 3,760 |
| ING MAP PLUS NP16 | 54.087 | 12.80 | 692 |
| ING MAP PLUS NP26 | 108.181 | 12.63 | 1,366 |
| Qualified VI | 136,629.699 | 7.35 | 1,004,228 |
| Qualified XII (0.20) | 1,380.660 | 7.96 | 10,990 |
| Qualified XII (0.25) | 315.628 | 7.94 | 2,506 |
| Qualified XII (0.30) | 2,545.540 | 7.92 | 20,161 |
| Qualified XII (0.40) | 960.735 | 7.89 | 7,580 |
| Qualified XII (0.50) | 4,979.483 | 7.85 | 39,089 |
| Qualified XII (0.55) | 500.737 | 7.83 | 3,921 |
| Qualified XII (0.60) | 4,373.657 | 7.81 | 34,158 |
| Qualified XII (0.65) | 803.300 | 7.79 | 6,258 |
| Qualified XII (0.70) | 3,072.716 | 7.78 | 23,906 |
| Qualified XII (0.75) | 3,213.071 | 7.76 | 24,933 |
| Qualified XII (0.80) | 12,104.111 | 7.74 | 93,686 |
| Qualified XII (0.85) | 37,155.484 | 7.72 | 286,840 |
| Qualified XII (0.90) | 908.039 | 7.70 | 6,992 |
| Qualified XII (0.95) | 22,313.518 | 7.69 | 171,591 |
| Qualified XII (1.00) | 67,625.673 | 7.67 | 518,689 |
| Qualified XII (1.05) | 2,254.191 | 7.65 | 17,245 |

**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> |
|---|--------------------|-------------------|-----------------------|
| Artisan International Fund - Investor Shares (continued) | | | |
| Qualified XII (1.10) | 1,716.817 | \$ 7.63 | \$ 13,099 |
| Qualified XII (1.15) | 2,106.012 | 7.61 | 16,027 |
| Qualified XII (1.20) | 3,035.121 | 7.60 | 23,067 |
| Qualified XII (1.25) | 17,881.748 | 7.58 | 135,544 |
| Qualified XII (1.40) | 223.578 | 7.53 | 1,684 |
| Qualified XIII | 1,072.412 | 7.43 | 7,968 |
| Qualified XVI | 3,729.645 | 7.29 | 27,189 |
| Qualified XXXIV | 269.119 | 7.49 | 2,016 |
| Qualified XXXVIII | 196.330 | 7.70 | 1,512 |
| Qualified LIV | 19,330.699 | 7.47 | 144,400 |
| Qualified LVI | 2,654.060 | 7.63 | 20,250 |
| | <u>354,313.943</u> | | <u>\$ 2,673,580</u> |
| Aston/Fairpointe Mid Cap Fund - Class N | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 1,156.211 | \$ 10.81 | \$ 12,499 |
| Qualified VI | 169,341.080 | 10.81 | 1,830,577 |
| Qualified XII (0.25) | 2,700.448 | 10.99 | 29,678 |
| Qualified XII (0.30) | 6,840.215 | 10.98 | 75,106 |
| Qualified XII (0.40) | 6,340.695 | 10.96 | 69,494 |
| Qualified XII (0.50) | 1,591.321 | 10.94 | 17,409 |
| Qualified XII (0.55) | 2,154.501 | 10.94 | 23,570 |
| Qualified XII (0.60) | 2,692.322 | 10.93 | 29,427 |
| Qualified XII (0.65) | 513.772 | 10.92 | 5,610 |
| Qualified XII (0.70) | 2,086.897 | 10.91 | 22,768 |
| Qualified XII (0.75) | 5,734.718 | 10.90 | 62,508 |
| Qualified XII (0.80) | 10,537.319 | 10.89 | 114,751 |
| Qualified XII (0.85) | 62,049.691 | 10.88 | 675,101 |
| Qualified XII (0.90) | 796.635 | 10.87 | 8,659 |
| Qualified XII (0.95) | 28,311.969 | 10.86 | 307,468 |
| Qualified XII (1.00) | 151,639.246 | 10.85 | 1,645,286 |
| Qualified XII (1.05) | 85.253 | 10.85 | 925 |
| Qualified XII (1.10) | 2,132.989 | 10.84 | 23,122 |
| Qualified XII (1.20) | 765.716 | 10.82 | 8,285 |
| Qualified XII (1.25) | 10,039.445 | 10.81 | 108,526 |
| Qualified XII (1.40) | 282.205 | 10.78 | 3,042 |
| Qualified XII (1.50) | 32.292 | 10.77 | 348 |
| Qualified XVI | 988.219 | 10.77 | 10,643 |
| Qualified XXXIV | 141.701 | 10.87 | 1,540 |
| Qualified XXXVIII | 231.958 | 11.04 | 2,561 |
| Qualified LIV | 41,973.149 | 10.89 | 457,088 |
| Qualified LVI | 953.518 | 10.99 | 10,479 |
| | <u>512,113.485</u> | | <u>\$ 5,556,470</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---|--------------------|-------------------|-----------------------|
| BlackRock Equity Dividend Fund - Investor A Shares | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP4 | 2,181.371 | \$ 12.49 | \$ 27,245 |
| ING MAP PLUS NP11 | 4,206.788 | 12.41 | 52,206 |
| ING MAP PLUS NP13 | 935.378 | 12.38 | 11,580 |
| ING MAP PLUS NP15 | 20,377.768 | 12.36 | 251,869 |
| ING MAP PLUS NP18 | 3,711.422 | 12.33 | 45,762 |
| ING MAP PLUS NP21 | 2,354.444 | 12.29 | 28,936 |
| ING MAP PLUS NP23 | 456.502 | 12.27 | 5,601 |
| ING MAP PLUS NP24 | 5,233.564 | 12.26 | 64,163 |
| | <u>39,457.237</u> | | <u>\$ 487,362</u> |
| BlackRock Mid Cap Value Opportunities Fund - Investor A Shares | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 145.971 | \$ 15.35 | \$ 2,241 |
| ING Custom Choice 65 | 777.037 | 15.70 | 12,199 |
| ING MAP PLUS NP11 | 20.866 | 15.62 | 326 |
| ING MAP PLUS NP15 | 2,491.699 | 15.53 | 38,696 |
| Qualified V | 123.126 | 15.29 | 1,883 |
| Qualified VI | 111,689.476 | 15.35 | 1,714,433 |
| Qualified XII (0.30) | 3,972.475 | 15.74 | 62,527 |
| Qualified XII (0.40) | 2,717.817 | 15.70 | 42,670 |
| Qualified XII (0.50) | 3,988.017 | 15.66 | 62,452 |
| Qualified XII (0.55) | 219.910 | 15.64 | 3,439 |
| Qualified XII (0.60) | 454.978 | 15.62 | 7,107 |
| Qualified XII (0.65) | 1,317.459 | 15.60 | 20,552 |
| Qualified XII (0.70) | 3,538.609 | 15.58 | 55,132 |
| Qualified XII (0.75) | 9,254.932 | 15.55 | 143,914 |
| Qualified XII (0.80) | 10,239.614 | 15.53 | 159,021 |
| Qualified XII (0.85) | 34,682.565 | 15.51 | 537,927 |
| Qualified XII (0.90) | 548.081 | 15.49 | 8,490 |
| Qualified XII (0.95) | 13,667.942 | 15.47 | 211,443 |
| Qualified XII (1.00) | 46,799.651 | 15.45 | 723,055 |
| Qualified XII (1.05) | 2,629.537 | 15.43 | 40,574 |
| Qualified XII (1.10) | 3,469.137 | 15.41 | 53,459 |
| Qualified XII (1.15) | 31.706 | 15.39 | 488 |
| Qualified XII (1.20) | 626.910 | 15.37 | 9,636 |
| Qualified XII (1.25) | 15,178.864 | 15.35 | 232,996 |
| Qualified XII (1.30) | 54.654 | 15.33 | 838 |
| Qualified XII (1.40) | 95.337 | 15.29 | 1,458 |
| Qualified XII (1.50) | 395.313 | 15.25 | 6,029 |
| Qualified XVI | 1,417.664 | 15.25 | 21,619 |
| Qualified XXVII | 201,326.620 | 15.91 | 3,203,107 |
| Qualified XXXIV | 23.745 | 15.49 | 368 |
| Qualified XXXVIII | 1,649.730 | 15.87 | 26,181 |
| Qualified XLIII | 175.310 | 15.55 | 2,726 |
| Qualified LIV | 2,008.963 | 15.53 | 31,199 |
| Qualified LVI | 2,650.515 | 15.76 | 41,772 |
| | <u>478,384.230</u> | | <u>\$ 7,479,957</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|--------------------|-------------------|-----------------------|
| The Bond Fund of AmericaSM, Inc. - Class R-4 | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 3,938.648 | \$ 10.99 | \$ 43,286 |
| ING Custom Choice 65 | 430.188 | 11.34 | 4,878 |
| Qualified VI | 250,273.773 | 10.99 | 2,750,509 |
| Qualified XII (0.20) | 2,618.190 | 11.42 | 29,900 |
| Qualified XII (0.30) | 1,737.675 | 11.38 | 19,775 |
| Qualified XII (0.40) | 17,650.054 | 11.34 | 200,152 |
| Qualified XII (0.50) | 20,919.566 | 11.29 | 236,182 |
| Qualified XII (0.55) | 382.512 | 11.27 | 4,311 |
| Qualified XII (0.60) | 2,364.152 | 11.25 | 26,597 |
| Qualified XII (0.65) | 21,748.982 | 11.23 | 244,241 |
| Qualified XII (0.70) | 4,494.186 | 11.21 | 50,380 |
| Qualified XII (0.75) | 43,442.248 | 11.19 | 486,119 |
| Qualified XII (0.80) | 36,203.253 | 11.17 | 404,390 |
| Qualified XII (0.85) | 89,164.448 | 11.15 | 994,184 |
| Qualified XII (0.90) | 97.303 | 11.13 | 1,083 |
| Qualified XII (0.95) | 98,157.731 | 11.11 | 1,090,532 |
| Qualified XII (1.00) | 145,915.459 | 11.09 | 1,618,202 |
| Qualified XII (1.05) | 7,791.942 | 11.07 | 86,257 |
| Qualified XII (1.10) | 8,066.356 | 11.05 | 89,133 |
| Qualified XII (1.15) | 8,866.207 | 11.03 | 97,794 |
| Qualified XII (1.20) | 14,561.174 | 11.01 | 160,319 |
| Qualified XII (1.25) | 26,936.191 | 10.99 | 296,029 |
| Qualified XII (1.40) | 2,418.559 | 10.93 | 26,435 |
| Qualified XII (1.45) | 258.538 | 10.91 | 2,821 |
| Qualified XII (1.50) | 59.224 | 10.89 | 645 |
| Qualified XIII | 41.126 | 11.11 | 457 |
| Qualified XV | 3,225.714 | 11.11 | 35,838 |
| Qualified XVI | 2,007.819 | 10.89 | 21,865 |
| Qualified XXXIV | 213.557 | 11.19 | 2,390 |
| Qualified XXXVIII | 668.870 | 11.50 | 7,692 |
| Qualified LIV | 9,737.425 | 11.17 | 108,767 |
| Qualified LVI | 6,803.231 | 11.40 | 77,557 |
| | <u>831,194.301</u> | | <u>\$ 9,218,720</u> |
| Calvert VP SRI Balanced Portfolio | | | |
| Currently payable annuity contracts: | 17,000.456 | \$ 12.21 | \$ 207,576 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 737.064 | 11.80 | 8,697 |
| Qualified V | 294.163 | 23.80 | 7,001 |
| Qualified VI | 482,273.908 | 23.81 | 11,482,942 |
| Qualified VIII | 4,832.260 | 21.61 | 104,425 |
| Qualified X (1.15) | 18,118.437 | 12.37 | 224,125 |
| Qualified X (1.25) | 50,021.682 | 12.20 | 610,265 |
| Qualified XII (0.05) | 8,622.324 | 27.16 | 234,182 |
| Qualified XII (0.20) | 2,598.019 | 14.30 | 37,152 |
| Qualified XII (0.25) | 7,853.480 | 14.20 | 111,519 |
| Qualified XII (0.30) | 4,749.162 | 14.10 | 66,963 |
| Qualified XII (0.35) | 186.739 | 14.01 | 2,616 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|----------------------|-------------------|-----------------------|
| Calvert VP SRI Balanced Portfolio (continued) | | | |
| Qualified XII (0.40) | 7,403.026 | \$ 19.44 | \$ 143,915 |
| Qualified XII (0.50) | 16,809.693 | 14.05 | 236,176 |
| Qualified XII (0.55) | 6,062.792 | 13.63 | 82,636 |
| Qualified XII (0.60) | 6,932.006 | 13.54 | 93,859 |
| Qualified XII (0.65) | 84,325.871 | 13.45 | 1,134,183 |
| Qualified XII (0.70) | 46,603.191 | 13.36 | 622,619 |
| Qualified XII (0.75) | 38,897.837 | 13.26 | 515,785 |
| Qualified XII (0.80) | 74,785.448 | 13.87 | 1,037,274 |
| Qualified XII (0.85) | 116,153.406 | 18.37 | 2,133,738 |
| Qualified XII (0.90) | 10,813.647 | 13.58 | 146,849 |
| Qualified XII (0.95) | 104,488.536 | 18.09 | 1,890,198 |
| Qualified XII (1.00) | 267,842.444 | 17.94 | 4,805,093 |
| Qualified XII (1.05) | 3,894.658 | 17.80 | 69,325 |
| Qualified XII (1.10) | 34,830.925 | 17.67 | 615,462 |
| Qualified XII (1.15) | 11,338.319 | 17.53 | 198,761 |
| Qualified XII (1.20) | 7,707.155 | 17.39 | 134,027 |
| Qualified XII (1.25) | 32,942.844 | 17.26 | 568,593 |
| Qualified XII (1.30) | 2,330.207 | 17.12 | 39,893 |
| Qualified XII (1.40) | 13,141.600 | 16.86 | 221,567 |
| Qualified XII (1.45) | 3,812.093 | 16.72 | 63,738 |
| Qualified XII (1.50) | 360.753 | 16.59 | 5,985 |
| Qualified XV | 3,676.599 | 24.91 | 91,584 |
| Qualified XVI | 21,626.696 | 22.95 | 496,333 |
| Qualified XVII | 500.269 | 23.81 | 11,911 |
| Qualified XVIII | 1,154.248 | 12.20 | 14,082 |
| Qualified XXVII | 374,178.666 | 32.50 | 12,160,807 |
| Qualified XXVIII | 77,495.157 | 32.25 | 2,499,219 |
| Qualified XXXIV | 9,971.234 | 9.72 | 96,920 |
| Qualified XXXVI | 3,540.644 | 12.71 | 45,002 |
| Qualified XXXVIII | 52,865.497 | 9.99 | 528,126 |
| Qualified LIV | 9,515.642 | 11.72 | 111,523 |
| Qualified LVI | 10,720.972 | 12.04 | 129,081 |
| | <u>2,054,009.769</u> | | <u>\$ 44,041,727</u> |
| Capital World Growth & Income FundSM, Inc. - Class R-3 | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP5 | 20.774 | \$ 12.69 | \$ 264 |
| ING MAP PLUS NP11 | 8,822.919 | 12.59 | 111,081 |
| ING MAP PLUS NP13 | 3,672.607 | 12.56 | 46,128 |
| ING MAP PLUS NP14 | 6,800.196 | 12.54 | 85,274 |
| ING MAP PLUS NP15 | 6,859.696 | 12.52 | 85,883 |
| ING MAP PLUS NP16 | 285.868 | 12.51 | 3,576 |
| ING MAP PLUS NP17 | 1,199.102 | 12.49 | 14,977 |
| ING MAP PLUS NP18 | 67.353 | 12.47 | 840 |
| ING MAP PLUS NP24 | 3,501.077 | 12.37 | 43,308 |
| ING MAP PLUS NP26 | 1,935.720 | 12.34 | 23,887 |
| | <u>33,165.312</u> | | <u>\$ 415,218</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|----------------------|-------------------|-----------------------|
| Cohen & Steers Realty Shares | | | |
| Contracts in accumulation period: | | | |
| Qualified VI | 24,589.462 | \$ 9.46 | \$ 232,616 |
| Qualified XII (0.30) | 12,148.069 | 9.51 | 115,528 |
| Qualified XII (0.40) | 120.062 | 9.51 | 1,142 |
| Qualified XII (0.55) | 51.687 | 9.50 | 491 |
| Qualified XII (0.65) | 129.482 | 9.49 | 1,229 |
| Qualified XII (0.70) | 1,368.044 | 9.49 | 12,983 |
| Qualified XII (0.75) | 4,234.577 | 9.49 | 40,186 |
| Qualified XII (0.80) | 7,373.485 | 9.48 | 69,901 |
| Qualified XII (0.85) | 2,180.699 | 9.48 | 20,673 |
| Qualified XII (0.90) | 15.578 | 9.48 | 148 |
| Qualified XII (0.95) | 2,045.219 | 9.47 | 19,368 |
| Qualified XII (1.00) | 14,335.178 | 9.47 | 135,754 |
| Qualified XII (1.10) | 11.042 | 9.47 | 105 |
| Qualified XII (1.20) | 266.303 | 9.46 | 2,519 |
| Qualified XII (1.25) | 462.219 | 9.46 | 4,373 |
| Qualified XVI | 988.352 | 9.44 | 9,330 |
| Qualified LIV | 655.819 | 9.48 | 6,217 |
| Qualified LVI | 509.077 | 9.52 | 4,846 |
| | <u>71,484.354</u> | | <u>\$ 677,409</u> |
| ColumbiaSM Acorn Fund® - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP15 | 2,643.880 | \$ 12.47 | \$ 32,969 |
| ING MAP PLUS NP18 | 1,218.652 | 12.43 | 15,148 |
| ING MAP PLUS NP20 | 285.438 | 12.41 | 3,542 |
| ING MAP PLUS NP24 | 1,418.875 | 12.36 | 17,537 |
| ING MAP PLUS NP26 | 8.371 | 12.34 | 103 |
| | <u>5,575.216</u> | | <u>\$ 69,299</u> |
| ColumbiaSM Acorn Fund® - Class Z | | | |
| Contracts in accumulation period: | | | |
| Qualified VI | 3,002.615 | \$ 10.24 | \$ 30,747 |
| Qualified XLII | 1,009,091.814 | 10.72 | 10,817,464 |
| | <u>1,012,094.429</u> | | <u>\$ 10,848,211</u> |
| Columbia Mid Cap Value Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 36.094 | \$ 9.11 | \$ 329 |
| ING Custom Choice 65 | 116.715 | 9.40 | 1,097 |
| ING MAP PLUS NP11 | 827.912 | 9.30 | 7,700 |
| ING MAP PLUS NP15 | 6,293.861 | 9.23 | 58,092 |
| ING MAP PLUS NP20 | 382.280 | 9.15 | 3,498 |
| ING MAP PLUS NP21 | 3,194.488 | 9.13 | 29,166 |
| ING MAP PLUS NP22 | 419.167 | 9.11 | 3,819 |
| ING MAP PLUS NP23 | 939.165 | 9.10 | 8,546 |
| ING MAP PLUS NP25 | 36.138 | 9.06 | 327 |
| ING MAP PLUS NP26 | 1,629.480 | 9.05 | 14,747 |
| ING MAP PLUS NP29 | 108.193 | 9.00 | 974 |
| Qualified V | 14.322 | 9.06 | 130 |
| Qualified VI | 76,361.402 | 9.11 | 695,652 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|--------------------|-------------------|-----------------------|
| Columbia Mid Cap Value Fund - Class A (continued) | | | |
| Qualified XII (0.30) | 1,302.526 | \$ 9.43 | \$ 12,283 |
| Qualified XII (0.40) | 861.315 | 9.40 | 8,096 |
| Qualified XII (0.50) | 2,028.719 | 9.37 | 19,009 |
| Qualified XII (0.55) | 864.716 | 9.35 | 8,085 |
| Qualified XII (0.60) | 403.494 | 9.33 | 3,765 |
| Qualified XII (0.65) | 4,093.335 | 9.31 | 38,109 |
| Qualified XII (0.70) | 3,010.525 | 9.30 | 27,998 |
| Qualified XII (0.75) | 6,346.814 | 9.28 | 58,898 |
| Qualified XII (0.80) | 7,794.657 | 9.26 | 72,179 |
| Qualified XII (0.85) | 24,037.797 | 9.25 | 222,350 |
| Qualified XII (0.95) | 12,903.165 | 9.21 | 118,838 |
| Qualified XII (1.00) | 75,847.023 | 9.20 | 697,793 |
| Qualified XII (1.05) | 247.053 | 9.18 | 2,268 |
| Qualified XII (1.10) | 1,942.753 | 9.16 | 17,796 |
| Qualified XII (1.15) | 2,065.727 | 9.15 | 18,901 |
| Qualified XII (1.20) | 7,980.812 | 9.13 | 72,865 |
| Qualified XII (1.25) | 7,209.120 | 9.11 | 65,675 |
| Qualified XII (1.40) | 1,554.044 | 9.06 | 14,080 |
| Qualified XII (1.45) | 14.253 | 9.05 | 129 |
| Qualified XII (1.50) | 124.601 | 9.03 | 1,125 |
| Qualified XIII | 5,584.211 | 9.21 | 51,431 |
| Qualified XV | 1,585.840 | 9.21 | 14,606 |
| Qualified XVI | 1,501.862 | 9.03 | 13,562 |
| Qualified XVII | 263.661 | 9.11 | 2,402 |
| Qualified XXI | 142,363.997 | 9.26 | 1,318,291 |
| Qualified LIV | 10,759.279 | 9.26 | 99,631 |
| Qualified LVI | 88.263 | 9.45 | 834 |
| | <u>413,138.779</u> | | <u>\$ 3,805,076</u> |
| Columbia Mid Cap Value Fund - Class Z | | | |
| Contracts in accumulation period: | | | |
| Qualified XLII | 556,854.386 | \$ 9.63 | \$ 5,362,508 |
| Qualified LIV | 89.422 | 9.35 | 836 |
| | <u>556,943.808</u> | | <u>\$ 5,363,344</u> |
| CRM Mid Cap Value Fund - Investor Shares | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP6 | 338.336 | \$ 13.28 | \$ 4,493 |
| ING MAP PLUS NP8 | 167.686 | 13.25 | 2,222 |
| ING MAP PLUS NP11 | 7,676.120 | 13.19 | 101,248 |
| ING MAP PLUS NP13 | 6,224.605 | 13.16 | 81,916 |
| ING MAP PLUS NP18 | 183.452 | 13.07 | 2,398 |
| ING MAP PLUS NP21 | 65.714 | 13.02 | 856 |
| ING MAP PLUS NP23 | 103.547 | 12.99 | 1,345 |
| ING MAP PLUS NP24 | 1,292.316 | 12.97 | 16,761 |
| ING MAP PLUS NP26 | 383.896 | 12.93 | 4,964 |
| | <u>16,435.672</u> | | <u>\$ 216,203</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---|-------------------|-------------------|-----------------------|
| Dodge & Cox International Stock Fund | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP6 | 9,559.017 | \$ 9.89 | \$ 94,539 |
| ING MAP PLUS NP8 | 1,212.499 | 9.87 | 11,967 |
| ING MAP PLUS NP11 | 1,172.454 | 9.85 | 11,549 |
| ING MAP PLUS NP13 | 147.786 | 9.83 | 1,453 |
| ING MAP PLUS NP15 | 41.441 | 9.81 | 407 |
| ING MAP PLUS NP21 | 1,200.282 | 9.75 | 11,703 |
| ING MAP PLUS NP26 | 334.496 | 9.71 | 3,248 |
| ING MAP PLUS NP28 | 148.934 | 9.69 | 1,443 |
| | <u>13,816.909</u> | | <u>\$ 136,309</u> |
| Dodge & Cox Stock Fund | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP14 | 2,157.075 | \$ 10.98 | \$ 23,685 |
| ING MAP PLUS NP25 | 40.738 | 10.86 | 442 |
| | <u>2,197.813</u> | | <u>\$ 24,127</u> |
| DWS Equity 500 Index Fund - Class S | | | |
| Contracts in accumulation period: | | | |
| Qualified XII (1.00) | 29,288.935 | \$ 13.65 | \$ 399,794 |
| Eaton Vance Large-Cap Value Fund - Class R | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP5 | 35.024 | \$ 12.74 | \$ 446 |
| ING MAP PLUS NP11 | 1,828.112 | 12.64 | 23,107 |
| ING MAP PLUS NP12 | 1,228.822 | 12.62 | 15,508 |
| ING MAP PLUS NP16 | 293.629 | 12.56 | 3,688 |
| ING MAP PLUS NP26 | 33.313 | 12.39 | 413 |
| ING MAP PLUS NP32 | 191.061 | 12.29 | 2,348 |
| | <u>3,609.961</u> | | <u>\$ 45,510</u> |
| EuroPacific Growth Fund® - Class R-3 | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 112,304.854 | \$ 15.61 | \$ 1,753,079 |
| ING MAP PLUS NP3 | 1,465.568 | 15.49 | 22,702 |
| ING MAP PLUS NP4 | 3,644.675 | 15.43 | 56,237 |
| ING MAP PLUS NP5 | 92.755 | 15.36 | 1,425 |
| ING MAP PLUS NP6 | 31,206.660 | 15.30 | 477,462 |
| ING MAP PLUS NP8 | 106,249.309 | 15.18 | 1,612,865 |
| ING MAP PLUS NP9 | 87,967.287 | 15.12 | 1,330,065 |
| ING MAP PLUS NP10 | 4,155.651 | 15.06 | 62,584 |
| ING MAP PLUS NP11 | 19,182.466 | 15.00 | 287,737 |
| ING MAP PLUS NP12 | 26,182.333 | 14.95 | 391,426 |
| ING MAP PLUS NP13 | 5,883.750 | 14.89 | 87,609 |
| ING MAP PLUS NP14 | 55,103.922 | 14.83 | 817,191 |
| ING MAP PLUS NP15 | 53,033.702 | 14.77 | 783,308 |
| ING MAP PLUS NP16 | 385.690 | 14.71 | 5,673 |
| ING MAP PLUS NP17 | 33,226.237 | 14.65 | 486,764 |
| ING MAP PLUS NP18 | 7,014.108 | 14.60 | 102,406 |
| ING MAP PLUS NP19 | 22,020.589 | 14.54 | 320,179 |
| ING MAP PLUS NP20 | 9,879.860 | 14.48 | 143,060 |

**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 (continued) | | | |
| ING MAP PLUS NP21 | 14,030.374 | \$ 14.42 | \$ 202,318 |
| ING MAP PLUS NP22 | 12,996.299 | 14.37 | 186,757 |
| ING MAP PLUS NP23 | 12,364.009 | 14.31 | 176,929 |
| ING MAP PLUS NP24 | 4,940.794 | 14.25 | 70,406 |
| ING MAP PLUS NP25 | 6,411.264 | 14.20 | 91,040 |
| ING MAP PLUS NP26 | 10,580.794 | 14.14 | 149,612 |
| ING MAP PLUS NP28 | 3,840.041 | 14.03 | 53,876 |
| ING MAP PLUS NP29 | 2,407.755 | 13.97 | 33,636 |
| ING MAP PLUS NP30 | 1,104.085 | 13.92 | 15,369 |
| ING MAP PLUS NP32 | 1,005.676 | 13.81 | 13,888 |
| | <u>648,680.507</u> | | <u>\$ 9,735,603</u> |
| EuroPacific Growth Fund® - Class R-4 | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 14,571.619 | \$ 14.97 | \$ 218,137 |
| ING Custom Choice 65 | 3,532.256 | 13.58 | 47,968 |
| Qualified V | 2,136.454 | 14.20 | 30,338 |
| Qualified VI | 3,072,528.310 | 14.38 | 44,182,957 |
| Qualified XII (0.00) | 65,836.226 | 15.82 | 1,041,529 |
| Qualified XII (0.05) | 305,238.244 | 15.79 | 4,819,712 |
| Qualified XII (0.10) | 85.295 | 15.70 | 1,339 |
| Qualified XII (0.20) | 208,789.341 | 15.58 | 3,252,938 |
| Qualified XII (0.25) | 2,703.073 | 15.52 | 41,952 |
| Qualified XII (0.30) | 50,519.161 | 15.46 | 781,026 |
| Qualified XII (0.35) | 2,031.592 | 15.40 | 31,287 |
| Qualified XII (0.40) | 183,967.108 | 15.34 | 2,822,055 |
| Qualified XII (0.50) | 2,079,790.061 | 15.23 | 31,675,203 |
| Qualified XII (0.55) | 227,397.479 | 15.17 | 3,449,620 |
| Qualified XII (0.60) | 58,721.874 | 15.11 | 887,288 |
| Qualified XII (0.65) | 638,771.987 | 15.05 | 9,613,518 |
| Qualified XII (0.70) | 193,132.726 | 14.99 | 2,895,060 |
| Qualified XII (0.75) | 1,019,991.592 | 14.94 | 15,238,674 |
| Qualified XII (0.80) | 401,720.386 | 14.88 | 5,977,599 |
| Qualified XII (0.85) | 859,240.007 | 14.82 | 12,733,937 |
| Qualified XII (0.90) | 12,667.083 | 14.77 | 187,093 |
| Qualified XII (0.95) | 606,669.279 | 14.71 | 8,924,105 |
| Qualified XII (1.00) | 2,878,121.799 | 14.65 | 42,164,484 |
| Qualified XII (1.05) | 31,576.610 | 14.60 | 461,019 |
| Qualified XII (1.10) | 68,023.874 | 14.54 | 989,067 |
| Qualified XII (1.15) | 99,025.440 | 14.49 | 1,434,879 |
| Qualified XII (1.20) | 23,077.688 | 14.43 | 333,011 |
| Qualified XII (1.25) | 220,058.019 | 14.38 | 3,164,434 |
| Qualified XII (1.30) | 1,527.531 | 14.32 | 21,874 |
| Qualified XII (1.40) | 18,044.951 | 14.21 | 256,419 |
| Qualified XII (1.45) | 2,910.189 | 14.16 | 41,208 |
| Qualified XII (1.50) | 2,202.723 | 14.10 | 31,058 |
| Qualified XV | 12,221.173 | 14.71 | 179,773 |
| Qualified XVI | 84,792.596 | 14.10 | 1,195,576 |
| Qualified XVII | 1,103.595 | 14.49 | 15,991 |
| Qualified XXI | 29,169.725 | 14.88 | 434,046 |

**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 XXVII | 2,412,833.774 | \$ 12.88 | \$ 31,077,299 |
| Qualified XXXIII (0.65) | 25,681.228 | 15.67 | 402,425 |
| Qualified XXXIV | 21,283.975 | 7.54 | 160,481 |
| Qualified XXXVIII | 104,662.950 | 7.75 | 811,138 |
| Qualified XLIII | 6,103.483 | 7.56 | 46,142 |
| Qualified LIV | 205,103.794 | 13.33 | 2,734,034 |
| Qualified LVI | 39,409.699 | 13.70 | 539,913 |
| | <u>16,296,975.969</u> | | <u>\$ 235,347,606</u> |
| Fidelity® Advisor New Insights Fund - Institutional Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 161.779 | \$ 12.15 | \$ 1,966 |
| ING MAP PLUS NP4 | 805.809 | 12.12 | 9,766 |
| ING MAP PLUS NP8 | 1,222.702 | 12.07 | 14,758 |
| ING MAP PLUS NP13 | 1,778.564 | 12.02 | 21,378 |
| ING MAP PLUS NP15 | 4,563.667 | 11.99 | 54,718 |
| ING MAP PLUS NP18 | 4,660.377 | 11.96 | 55,738 |
| ING MAP PLUS NP21 | 1,997.922 | 11.92 | 23,815 |
| ING MAP PLUS NP24 | 5,190.015 | 11.89 | 61,709 |
| ING MAP PLUS NP26 | 35.549 | 11.87 | 422 |
| ING MAP PLUS NP30 | 1,220.772 | 11.82 | 14,430 |
| | <u>21,637.156</u> | | <u>\$ 258,700</u> |
| Fidelity® VIP Equity-Income Portfolio - Initial Class | | | |
| Currently payable annuity contracts: | 286,414.130 | \$10.72 to \$12.32 | \$ 3,521,443 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 5,784.450 | 11.61 | 67,157 |
| ING Custom Choice 65 | 24,409.723 | 11.49 | 280,468 |
| ING MAP PLUS NP1 | 21,518.935 | 11.96 | 257,366 |
| ING MAP PLUS NP6 | 18,682.879 | 11.73 | 219,150 |
| ING MAP PLUS NP8 | 10,064.200 | 11.63 | 117,047 |
| ING MAP PLUS NP9 | 1,139.265 | 11.59 | 13,204 |
| ING MAP PLUS NP10 | 619.146 | 11.54 | 7,145 |
| ING MAP PLUS NP11 | 14,844.437 | 11.50 | 170,711 |
| ING MAP PLUS NP12 | 35,327.519 | 11.45 | 404,500 |
| ING MAP PLUS NP13 | 265.566 | 11.41 | 3,030 |
| ING MAP PLUS NP14 | 10,291.598 | 11.36 | 116,913 |
| ING MAP PLUS NP15 | 6,883.239 | 11.32 | 77,918 |
| ING MAP PLUS NP17 | 4,345.209 | 11.23 | 48,797 |
| ING MAP PLUS NP18 | 362.819 | 11.18 | 4,056 |
| ING MAP PLUS NP19 | 2,324.743 | 11.14 | 25,898 |
| ING MAP PLUS NP21 | 128.543 | 11.05 | 1,420 |
| ING MAP PLUS NP22 | 3,836.246 | 11.01 | 42,237 |
| ING MAP PLUS NP23 | 9,958.339 | 10.96 | 109,143 |
| ING MAP PLUS NP25 | 47.460 | 10.88 | 516 |
| ING MAP PLUS NP26 | 1,399.899 | 10.83 | 15,161 |
| ING MAP PLUS NP28 | 544.298 | 10.75 | 5,851 |
| ING MAP PLUS NP29 | 3,389.828 | 10.71 | 36,305 |
| ING MAP PLUS NP32 | 83.292 | 10.58 | 881 |
| Qualified V | 2,600.658 | 21.37 | 55,576 |
| Qualified VI | 2,627,467.663 | 22.02 | 57,856,838 |

**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 VIII | 1,335.534 | \$ 21.91 | \$ 29,262 |
| Qualified X (1.15) | 226,280.784 | 28.04 | 6,344,913 |
| Qualified X (1.25) | 197,012.237 | 27.55 | 5,427,687 |
| Qualified XII (0.00) | 524.952 | 14.83 | 7,785 |
| Qualified XII (0.05) | 98,080.538 | 25.12 | 2,463,783 |
| Qualified XII (0.10) | 260.308 | 14.63 | 3,808 |
| Qualified XII (0.20) | 179,409.859 | 14.43 | 2,588,884 |
| Qualified XII (0.25) | 93,694.484 | 14.33 | 1,342,642 |
| Qualified XII (0.30) | 65,858.364 | 14.24 | 937,823 |
| Qualified XII (0.35) | 6,803.152 | 14.14 | 96,197 |
| Qualified XII (0.40) | 140,734.149 | 21.40 | 3,011,711 |
| Qualified XII (0.45) | 47.228 | 13.95 | 659 |
| Qualified XII (0.50) | 1,262,993.286 | 14.41 | 18,199,733 |
| Qualified XII (0.55) | 112,046.977 | 13.76 | 1,541,766 |
| Qualified XII (0.60) | 62,118.614 | 13.67 | 849,161 |
| Qualified XII (0.65) | 640,868.189 | 13.57 | 8,696,581 |
| Qualified XII (0.70) | 216,539.780 | 13.48 | 2,918,956 |
| Qualified XII (0.75) | 259,928.163 | 13.39 | 3,480,438 |
| Qualified XII (0.80) | 547,761.163 | 14.51 | 7,948,014 |
| Qualified XII (0.85) | 391,909.336 | 20.22 | 7,924,407 |
| Qualified XII (0.90) | 22,647.263 | 14.08 | 318,873 |
| Qualified XII (0.95) | 555,900.934 | 19.90 | 11,062,429 |
| Qualified XII (1.00) | 1,127,906.409 | 19.75 | 22,276,152 |
| Qualified XII (1.05) | 65,859.099 | 19.60 | 1,290,838 |
| Qualified XII (1.10) | 133,267.511 | 19.44 | 2,590,720 |
| Qualified XII (1.15) | 98,462.857 | 19.29 | 1,899,349 |
| Qualified XII (1.20) | 24,053.937 | 19.14 | 460,392 |
| Qualified XII (1.25) | 118,858.857 | 18.99 | 2,257,130 |
| Qualified XII (1.30) | 15,243.009 | 18.84 | 287,178 |
| Qualified XII (1.35) | 30.611 | 18.70 | 572 |
| Qualified XII (1.40) | 15,034.615 | 18.55 | 278,892 |
| Qualified XII (1.45) | 9,780.551 | 18.41 | 180,060 |
| Qualified XII (1.50) | 3,166.745 | 18.26 | 57,825 |
| Qualified XIII | 2,294.802 | 23.07 | 52,941 |
| Qualified XV | 24,022.008 | 23.03 | 553,227 |
| Qualified XVI | 103,017.572 | 21.22 | 2,186,033 |
| Qualified XVII | 2,402.666 | 22.02 | 52,907 |
| Qualified XVIII | 8,222.383 | 27.55 | 226,527 |
| Qualified XXVII | 1,851,625.929 | 23.72 | 43,920,567 |
| Qualified XXVIII | 1,067,085.700 | 23.54 | 25,119,197 |
| Qualified XXXII | 18,584.008 | 11.88 | 220,778 |
| Qualified XXXIV | 90,072.722 | 8.07 | 726,887 |
| Qualified XXXVI | 31,706.750 | 12.67 | 401,725 |
| Qualified XXXVIII | 41,555.721 | 8.29 | 344,497 |
| Qualified XLIII | 10,496.384 | 8.08 | 84,811 |
| Qualified LIV | 48,864.316 | 11.28 | 551,189 |
| Qualified LVI | 138,090.715 | 11.59 | 1,600,471 |
| Qualified LIX | 863.109 | 12.81 | 11,056 |
| | <u>13,226,058.364</u> | | <u>\$ 256,286,164</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 Growth Portfolio - Initial Class | | | |
| Currently payable annuity contracts: | 86,091.822 | \$ 11.90 | \$ 1,024,493 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 3,862.819 | 11.85 | 45,774 |
| ING Custom Choice 65 | 51,131.450 | 12.65 | 646,813 |
| ING MAP PLUS NP1 | 13,631.276 | 11.66 | 158,941 |
| ING MAP PLUS NP11 | 2,802.106 | 11.21 | 31,412 |
| ING MAP PLUS NP12 | 2,528.278 | 11.16 | 28,216 |
| ING MAP PLUS NP13 | 4,209.454 | 11.12 | 46,809 |
| ING MAP PLUS NP17 | 446.527 | 10.95 | 4,889 |
| ING MAP PLUS NP18 | 100.536 | 10.90 | 1,096 |
| ING MAP PLUS NP22 | 221.122 | 10.73 | 2,373 |
| ING MAP PLUS NP23 | 109.510 | 10.69 | 1,171 |
| ING MAP PLUS NP26 | 33.845 | 10.56 | 357 |
| ING MAP PLUS NP28 | 41.676 | 10.48 | 437 |
| ING MAP PLUS NP29 | 1,009.392 | 10.44 | 10,538 |
| Qualified V | 298.250 | 18.79 | 5,604 |
| Qualified VI | 3,713,244.096 | 19.06 | 70,774,432 |
| Qualified VIII | 6,487.690 | 19.27 | 125,018 |
| Qualified X (1.15) | 313,273.303 | 26.98 | 8,452,114 |
| Qualified X (1.25) | 197,484.539 | 26.51 | 5,235,315 |
| Qualified XII (0.05) | 40,493.626 | 21.74 | 880,331 |
| Qualified XII (0.10) | 91.100 | 14.10 | 1,285 |
| Qualified XII (0.20) | 223,711.519 | 13.91 | 3,111,827 |
| Qualified XII (0.25) | 155,676.768 | 13.81 | 2,149,896 |
| Qualified XII (0.30) | 95,959.397 | 13.72 | 1,316,563 |
| Qualified XII (0.35) | 14,211.253 | 13.62 | 193,557 |
| Qualified XII (0.40) | 142,448.031 | 19.48 | 2,774,888 |
| Qualified XII (0.45) | 204.536 | 13.44 | 2,749 |
| Qualified XII (0.50) | 286,046.996 | 14.02 | 4,010,379 |
| Qualified XII (0.55) | 153,266.225 | 13.26 | 2,032,310 |
| Qualified XII (0.60) | 135,067.961 | 13.17 | 1,778,845 |
| Qualified XII (0.65) | 1,885,044.035 | 13.08 | 24,656,376 |
| Qualified XII (0.70) | 275,317.846 | 12.99 | 3,576,379 |
| Qualified XII (0.75) | 241,558.648 | 12.90 | 3,116,107 |
| Qualified XII (0.80) | 422,828.870 | 14.04 | 5,936,517 |
| Qualified XII (0.85) | 778,909.321 | 18.40 | 14,331,932 |
| Qualified XII (0.90) | 32,500.303 | 13.51 | 439,079 |
| Qualified XII (0.95) | 547,004.994 | 18.12 | 9,911,730 |
| Qualified XII (1.00) | 1,616,655.091 | 17.98 | 29,067,459 |
| Qualified XII (1.05) | 59,918.766 | 17.84 | 1,068,951 |
| Qualified XII (1.10) | 167,341.131 | 17.70 | 2,961,938 |
| Qualified XII (1.15) | 89,325.477 | 17.56 | 1,568,555 |
| Qualified XII (1.20) | 36,160.150 | 17.42 | 629,910 |
| Qualified XII (1.25) | 109,896.971 | 17.29 | 1,900,119 |
| Qualified XII (1.30) | 9,551.917 | 17.15 | 163,815 |
| Qualified XII (1.40) | 25,432.869 | 16.89 | 429,561 |
| Qualified XII (1.45) | 5,060.173 | 16.75 | 84,758 |
| Qualified XII (1.50) | 10,096.657 | 16.62 | 167,806 |

**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 XIII | 3,579.086 | \$ 19.97 | \$ 71,474 |
| Qualified XV | 31,952.611 | 19.94 | 637,135 |
| Qualified XVI | 133,587.893 | 18.37 | 2,454,010 |
| Qualified XVII | 424.157 | 19.06 | 8,084 |
| Qualified XVIII | 12,943.266 | 26.51 | 343,126 |
| Qualified XXXII | 22,396.426 | 11.69 | 261,814 |
| Qualified XXXIII (0.65) | 65.732 | 10.98 | 722 |
| Qualified XXXIV | 99,558.874 | 8.01 | 797,467 |
| Qualified XXXVI | 43,030.720 | 11.10 | 477,641 |
| Qualified XXXVIII | 117,741.797 | 8.23 | 969,015 |
| Qualified XLIII | 22,104.630 | 8.03 | 177,500 |
| Qualified LIV | 62,804.874 | 12.41 | 779,408 |
| Qualified LVI | 210,136.667 | 12.76 | 2,681,344 |
| | <u>12,717,115.055</u> | | <u>\$ 214,518,164</u> |
| Fidelity® VIP High Income Portfolio - Initial Class | | | |
| Currently payable annuity contracts: | 4,592.742 | \$12.55 to \$13.54 | \$ 62,145 |
| Contracts in accumulation period: | | | |
| Qualified XXVII | 573,845.643 | 12.65 | 7,259,147 |
| Qualified XXVIII | 191,823.547 | 12.55 | 2,407,386 |
| | <u>770,261.932</u> | | <u>\$ 9,728,678</u> |
| Fidelity® VIP Overseas Portfolio - Initial Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 65 | 3,536.319 | \$ 11.21 | \$ 39,642 |
| Qualified V | 957.075 | 14.68 | 14,050 |
| Qualified VI | 524,508.587 | 15.07 | 7,904,344 |
| Qualified VIII | 643.976 | 15.05 | 9,692 |
| Qualified X (1.15) | 71,350.656 | 15.80 | 1,127,340 |
| Qualified X (1.25) | 67,647.585 | 15.53 | 1,050,567 |
| Qualified XII (0.05) | 29,625.072 | 17.19 | 509,255 |
| Qualified XII (0.20) | 58,785.835 | 11.96 | 703,079 |
| Qualified XII (0.25) | 32,504.949 | 11.88 | 386,159 |
| Qualified XII (0.30) | 10,351.071 | 11.80 | 122,143 |
| Qualified XII (0.35) | 3,087.999 | 11.72 | 36,191 |
| Qualified XII (0.40) | 18,885.709 | 16.23 | 306,515 |
| Qualified XII (0.45) | 15.857 | 11.56 | 183 |
| Qualified XII (0.50) | 28,173.338 | 12.38 | 348,786 |
| Qualified XII (0.55) | 66,430.687 | 11.40 | 757,310 |
| Qualified XII (0.60) | 12,226.278 | 11.33 | 138,524 |
| Qualified XII (0.65) | 274,994.507 | 11.25 | 3,093,688 |
| Qualified XII (0.70) | 39,609.351 | 11.17 | 442,436 |
| Qualified XII (0.75) | 42,893.342 | 11.10 | 476,116 |
| Qualified XII (0.80) | 75,803.240 | 12.32 | 933,896 |
| Qualified XII (0.85) | 106,235.543 | 15.33 | 1,628,591 |
| Qualified XII (0.90) | 6,354.253 | 12.17 | 77,331 |
| Qualified XII (0.95) | 49,020.757 | 15.10 | 740,213 |
| Qualified XII (1.00) | 109,026.812 | 14.98 | 1,633,222 |
| Qualified XII (1.05) | 10,678.782 | 14.86 | 158,687 |
| Qualified XII (1.10) | 25,312.222 | 14.75 | 373,355 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---|----------------------|-------------------|-----------------------|
| Fidelity® VIP Overseas Portfolio - Initial Class (continued) | | | |
| Qualified XII (1.15) | 8,821.414 | \$ 14.63 | \$ 129,057 |
| Qualified XII (1.20) | 10,645.251 | 14.52 | 154,569 |
| Qualified XII (1.25) | 22,341.835 | 14.40 | 321,722 |
| Qualified XII (1.30) | 2,033.756 | 14.29 | 29,062 |
| Qualified XII (1.40) | 2,828.874 | 14.07 | 39,802 |
| Qualified XII (1.45) | 67.562 | 13.96 | 943 |
| Qualified XII (1.50) | 2,431.402 | 13.85 | 33,675 |
| Qualified XV | 8,065.981 | 15.77 | 127,201 |
| Qualified XVI | 26,401.108 | 14.53 | 383,608 |
| Qualified XVII | 1,035.952 | 15.07 | 15,612 |
| Qualified XVIII | 1,563.247 | 15.53 | 24,277 |
| Qualified XXVII | 355,598.613 | 8.53 | 3,033,256 |
| Qualified XXXII | 1,335.362 | 11.89 | 15,877 |
| Qualified XXXIV | 7,452.330 | 6.36 | 47,397 |
| Qualified XXXVI | 2,204.222 | 12.97 | 28,589 |
| Qualified XXXVIII | 18,576.541 | 6.53 | 121,305 |
| Qualified XLIII | 1,362.141 | 6.37 | 8,677 |
| Qualified LIV | 7,980.573 | 11.00 | 87,786 |
| Qualified LVI | 25,925.507 | 11.30 | 292,958 |
| Qualified LIX | 6,017.093 | 13.11 | 78,884 |
| | <u>2,181,348.566</u> | | <u>\$ 27,985,572</u> |
| Fidelity® VIP Contrafund® Portfolio - Initial Class | | | |
| Currently payable annuity contracts: | 536,266.132 | \$ 14.96 | \$ 8,022,541 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 29,977.789 | 14.34 | 429,881 |
| ING Custom Choice 65 | 51,830.271 | 13.64 | 706,965 |
| ING MAP PLUS NP1 | 227,543.868 | 15.26 | 3,472,319 |
| ING MAP PLUS NP6 | 30,857.294 | 14.96 | 461,625 |
| ING MAP PLUS NP8 | 125,870.993 | 14.84 | 1,867,926 |
| ING MAP PLUS NP9 | 190,801.757 | 14.79 | 2,821,958 |
| ING MAP PLUS NP10 | 7,266.095 | 14.73 | 107,030 |
| ING MAP PLUS NP11 | 65,578.267 | 14.67 | 962,033 |
| ING MAP PLUS NP12 | 68,095.531 | 14.61 | 994,876 |
| ING MAP PLUS NP13 | 17,810.337 | 14.55 | 259,140 |
| ING MAP PLUS NP14 | 80,165.406 | 14.50 | 1,162,398 |
| ING MAP PLUS NP15 | 55,949.210 | 14.44 | 807,907 |
| ING MAP PLUS NP16 | 17,400.175 | 14.38 | 250,215 |
| ING MAP PLUS NP17 | 61,345.728 | 14.33 | 879,084 |
| ING MAP PLUS NP18 | 10,143.210 | 14.27 | 144,744 |
| ING MAP PLUS NP19 | 31,310.743 | 14.21 | 444,926 |
| ING MAP PLUS NP20 | 39,554.662 | 14.16 | 560,094 |
| ING MAP PLUS NP21 | 40,199.723 | 14.10 | 566,816 |
| ING MAP PLUS NP22 | 16,900.609 | 14.05 | 237,454 |
| ING MAP PLUS NP23 | 33,454.305 | 13.99 | 468,026 |
| ING MAP PLUS NP24 | 7,232.986 | 13.93 | 100,755 |
| ING MAP PLUS NP25 | 18,545.798 | 13.88 | 257,416 |
| ING MAP PLUS NP26 | 9,203.865 | 13.82 | 127,197 |
| ING MAP PLUS NP27 | 1,090.876 | 13.77 | 15,021 |

**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) | | | |
| ING MAP PLUS NP28 | 7,925.232 | \$ 13.72 | \$ 108,734 |
| ING MAP PLUS NP29 | 6,040.556 | 13.66 | 82,514 |
| ING MAP PLUS NP30 | 1,193.283 | 13.61 | 16,241 |
| ING MAP PLUS NP32 | 693.104 | 13.50 | 9,357 |
| Qualified V | 1,553.852 | 30.64 | 47,610 |
| Qualified VI | 6,618,155.858 | 31.24 | 206,751,189 |
| Qualified VIII | 4,940.283 | 31.41 | 155,174 |
| Qualified X (1.15) | 279,727.572 | 35.69 | 9,983,477 |
| Qualified X (1.25) | 422,374.728 | 35.10 | 14,825,353 |
| Qualified XII (0.00) | 1,738,334.361 | 12.65 | 21,989,930 |
| Qualified XII (0.00) | 7,915.393 | 21.57 | 170,735 |
| Qualified XII (0.05) | 202,145.537 | 35.63 | 7,202,445 |
| Qualified XII (0.05) | 251,909.343 | 35.63 | 8,975,530 |
| Qualified XII (0.10) | 213.320 | 21.28 | 4,539 |
| Qualified XII (0.20) | 753,804.948 | 20.99 | 15,822,366 |
| Qualified XII (0.25) | 238,423.635 | 20.85 | 4,971,133 |
| Qualified XII (0.30) | 95,945.318 | 20.71 | 1,987,028 |
| Qualified XII (0.35) | 18,952.904 | 20.57 | 389,861 |
| Qualified XII (0.40) | 326,308.000 | 31.71 | 10,347,227 |
| Qualified XII (0.45) | 1,391.005 | 20.29 | 28,223 |
| Qualified XII (0.50) | 2,604,172.474 | 21.06 | 54,843,872 |
| Qualified XII (0.55) | 500,853.580 | 20.02 | 10,027,089 |
| Qualified XII (0.60) | 2,964,997.787 | 19.88 | 58,944,156 |
| Qualified XII (0.65) | 1,374,458.938 | 19.75 | 27,145,564 |
| Qualified XII (0.70) | 550,951.753 | 19.61 | 10,804,164 |
| Qualified XII (0.75) | 1,137,376.708 | 19.48 | 22,156,098 |
| Qualified XII (0.80) | 1,219,476.520 | 21.27 | 25,938,266 |
| Qualified XII (0.85) | 1,116,432.155 | 29.96 | 33,448,307 |
| Qualified XII (0.90) | 102,143.676 | 20.50 | 2,093,945 |
| Qualified XII (0.95) | 1,130,087.054 | 29.50 | 33,337,568 |
| Qualified XII (1.00) | 3,164,441.395 | 29.27 | 92,623,200 |
| Qualified XII (1.05) | 129,621.931 | 29.04 | 3,764,221 |
| Qualified XII (1.10) | 234,868.378 | 28.81 | 6,766,558 |
| Qualified XII (1.15) | 274,819.577 | 28.59 | 7,857,092 |
| Qualified XII (1.20) | 51,767.490 | 28.36 | 1,468,126 |
| Qualified XII (1.25) | 318,801.032 | 28.14 | 8,971,061 |
| Qualified XII (1.30) | 15,130.172 | 27.92 | 422,434 |
| Qualified XII (1.35) | 1,091.014 | 27.71 | 30,232 |
| Qualified XII (1.40) | 27,771.916 | 27.49 | 763,450 |
| Qualified XII (1.45) | 4,037.242 | 27.28 | 110,136 |
| Qualified XII (1.50) | 4,220.966 | 27.06 | 114,219 |
| Qualified XIII | 5,440.397 | 32.73 | 178,064 |
| Qualified XV | 39,712.540 | 32.68 | 1,297,806 |
| Qualified XVI | 165,572.156 | 30.11 | 4,985,378 |
| Qualified XVII | 13,771.673 | 31.24 | 430,227 |
| Qualified XVIII | 14,992.215 | 35.10 | 526,227 |
| Qualified XXI | 179,268.056 | 33.30 | 5,969,626 |
| Qualified XXVII | 4,803,413.453 | 36.35 | 174,604,079 |
| Qualified XXVIII | 1,350,088.078 | 36.08 | 48,711,178 |

**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 XXXII | 20,730.765 | \$ 14.81 | \$ 307,023 |
| Qualified XXXIII (0.65) | 124,243.865 | 17.23 | 2,140,722 |
| Qualified XXXIV | 129,932.204 | 8.53 | 1,108,322 |
| Qualified XXXVI | 50,658.575 | 17.41 | 881,966 |
| Qualified XXXVIII | 254,058.409 | 8.77 | 2,228,092 |
| Qualified XLIII | 68,421.022 | 8.55 | 585,000 |
| Qualified LIV | 451,227.078 | 13.38 | 6,037,418 |
| Qualified LVI | 442,685.827 | 13.76 | 6,091,357 |
| Qualified LIX | 36,698.877 | 17.60 | 645,900 |
| | <u>37,830,780.810</u> | | <u>\$ 988,355,156</u> |
| Fidelity® VIP Index 500 Portfolio - Initial Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXVII | 3,685,829.442 | \$ 26.27 | \$ 96,826,739 |
| Qualified XXVIII | 250,023.593 | 26.07 | 6,518,115 |
| | <u>3,935,853.035</u> | | <u>\$ 103,344,854</u> |
| Fidelity® VIP Mid Cap Portfolio - Initial Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XII (0.00) | 1,311,348.308 | \$ 13.81 | \$ 18,109,720 |
| Fidelity® VIP Asset ManagerSM Portfolio - Initial Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXVII | 712,505.929 | \$ 22.46 | \$ 16,002,883 |
| Qualified XXVIII | 217,224.248 | 22.29 | 4,841,928 |
| | <u>929,730.177</u> | | <u>\$ 20,844,811</u> |
| Mutual Global Discovery Fund - Class R | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP4 | 35.102 | \$ 17.07 | \$ 599 |
| ING MAP PLUS NP6 | 6,364.072 | 16.93 | 107,744 |
| ING MAP PLUS NP8 | 14,695.498 | 16.80 | 246,884 |
| ING MAP PLUS NP9 | 17,810.471 | 16.73 | 297,969 |
| ING MAP PLUS NP11 | 15,631.942 | 16.60 | 259,490 |
| ING MAP PLUS NP12 | 6,749.994 | 16.54 | 111,645 |
| ING MAP PLUS NP13 | 17,102.233 | 16.47 | 281,674 |
| ING MAP PLUS NP14 | 33,910.680 | 16.41 | 556,474 |
| ING MAP PLUS NP15 | 9,869.268 | 16.34 | 161,264 |
| ING MAP PLUS NP16 | 2,485.817 | 16.28 | 40,469 |
| ING MAP PLUS NP17 | 9,126.741 | 16.21 | 147,944 |
| ING MAP PLUS NP18 | 484.981 | 16.15 | 7,832 |
| ING MAP PLUS NP19 | 10,651.532 | 16.09 | 171,383 |
| ING MAP PLUS NP20 | 16,302.617 | 16.02 | 261,168 |
| ING MAP PLUS NP21 | 3,385.024 | 15.96 | 54,025 |
| ING MAP PLUS NP22 | 2,757.621 | 15.90 | 43,846 |
| ING MAP PLUS NP23 | 1,706.828 | 15.83 | 27,019 |
| ING MAP PLUS NP24 | 361.740 | 15.77 | 5,705 |
| ING MAP PLUS NP26 | 267.783 | 15.65 | 4,191 |
| ING MAP PLUS NP27 | 114.823 | 15.58 | 1,789 |
| ING MAP PLUS NP28 | 460.162 | 15.52 | 7,142 |
| ING MAP PLUS NP32 | 235.145 | 15.28 | 3,593 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

170,510.074

\$ 2,799,849

**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 NP1 | 16,542.900 | \$ 14.45 | \$ 239,045 |
| ING MAP PLUS NP8 | 703.322 | 14.06 | 9,889 |
| ING MAP PLUS NP11 | 3,074.505 | 13.89 | 42,705 |
| ING MAP PLUS NP14 | 1,693.730 | 13.73 | 23,255 |
| ING MAP PLUS NP15 | 1,530.650 | 13.67 | 20,924 |
| ING MAP PLUS NP16 | 2,558.493 | 13.62 | 34,847 |
| ING MAP PLUS NP17 | 722.591 | 13.56 | 9,798 |
| ING MAP PLUS NP18 | 775.162 | 13.51 | 10,472 |
| ING MAP PLUS NP20 | 14,292.185 | 13.40 | 191,515 |
| ING MAP PLUS NP21 | 662.875 | 13.35 | 8,849 |
| ING MAP PLUS NP22 | 1,122.017 | 13.30 | 14,923 |
| ING MAP PLUS NP23 | 3,394.306 | 13.25 | 44,975 |
| ING MAP PLUS NP26 | 31.360 | 13.09 | 411 |
| ING MAP PLUS NP32 | 1,702.419 | 12.78 | 21,757 |
| | <u>48,806.515</u> | | <u>\$ 673,365</u> |
| Franklin Small Cap Value Securities Fund - Class 2 | | | |
| Currently payable annuity contracts: | 95,755.083 | \$ 15.91 | \$ 1,523,463 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 1,970.682 | 15.04 | 29,639 |
| ING Custom Choice 65 | 5,476.129 | 13.44 | 73,599 |
| ING MAP PLUS NP1 | 16,371.075 | 16.05 | 262,756 |
| ING MAP PLUS NP6 | 4,647.671 | 15.74 | 73,154 |
| ING MAP PLUS NP8 | 46,972.616 | 15.61 | 733,243 |
| ING MAP PLUS NP9 | 19,626.753 | 15.55 | 305,196 |
| ING MAP PLUS NP10 | 2,020.554 | 15.49 | 31,298 |
| ING MAP PLUS NP11 | 5,334.257 | 15.43 | 82,308 |
| ING MAP PLUS NP12 | 8,777.905 | 15.37 | 134,916 |
| ING MAP PLUS NP13 | 1,479.389 | 15.31 | 22,649 |
| ING MAP PLUS NP14 | 1,989.157 | 15.25 | 30,335 |
| ING MAP PLUS NP15 | 18,360.560 | 15.19 | 278,897 |
| ING MAP PLUS NP16 | 1,982.376 | 15.13 | 29,993 |
| ING MAP PLUS NP17 | 7,092.551 | 15.07 | 106,885 |
| ING MAP PLUS NP18 | 807.422 | 15.01 | 12,119 |
| ING MAP PLUS NP19 | 1,928.974 | 14.95 | 28,838 |
| ING MAP PLUS NP20 | 45.702 | 14.89 | 681 |
| ING MAP PLUS NP21 | 2,536.787 | 14.83 | 37,621 |
| ING MAP PLUS NP22 | 4,238.971 | 14.77 | 62,610 |
| ING MAP PLUS NP23 | 2,332.522 | 14.71 | 34,311 |
| ING MAP PLUS NP24 | 779.925 | 14.66 | 11,434 |
| ING MAP PLUS NP25 | 21.561 | 14.60 | 315 |
| ING MAP PLUS NP26 | 2,607.267 | 14.54 | 37,910 |
| ING MAP PLUS NP28 | 2,375.052 | 14.43 | 34,272 |
| ING MAP PLUS NP29 | 71.797 | 14.37 | 1,032 |
| ING MAP PLUS NP30 | 401.151 | 14.31 | 5,740 |
| ING MAP PLUS NP32 | 1.122 | 14.20 | 16 |
| Qualified VI | 1,029,136.767 | 17.87 | 18,390,674 |
| Qualified X (1.15) | 41,335.973 | 18.06 | 746,528 |

**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 X (1.25) | 92,162.982 | \$ 17.87 | \$ 1,646,952 |
| Qualified XII (0.00) | 588.044 | 20.36 | 11,973 |
| Qualified XII (0.05) | 49,760.645 | 20.04 | 997,203 |
| Qualified XII (0.10) | 237.510 | 20.15 | 4,786 |
| Qualified XII (0.20) | 99,109.455 | 19.94 | 1,976,243 |
| Qualified XII (0.25) | 83,558.558 | 19.84 | 1,657,802 |
| Qualified XII (0.30) | 17,561.533 | 19.74 | 346,665 |
| Qualified XII (0.40) | 143,074.030 | 19.53 | 2,794,236 |
| Qualified XII (0.50) | 772,940.457 | 19.33 | 14,940,939 |
| Qualified XII (0.55) | 41,039.536 | 19.23 | 789,190 |
| Qualified XII (0.60) | 48,892.482 | 19.13 | 935,313 |
| Qualified XII (0.65) | 411,856.055 | 19.03 | 7,837,621 |
| Qualified XII (0.70) | 51,040.552 | 18.93 | 966,198 |
| Qualified XII (0.75) | 188,457.544 | 18.83 | 3,548,656 |
| Qualified XII (0.80) | 29,652.981 | 18.73 | 555,400 |
| Qualified XII (0.85) | 179,323.858 | 18.63 | 3,340,803 |
| Qualified XII (0.90) | 4,097.325 | 18.54 | 75,964 |
| Qualified XII (0.95) | 205,528.257 | 18.44 | 3,789,941 |
| Qualified XII (1.00) | 713,461.658 | 18.34 | 13,084,887 |
| Qualified XII (1.05) | 23,094.074 | 18.25 | 421,467 |
| Qualified XII (1.10) | 33,411.948 | 18.15 | 606,427 |
| Qualified XII (1.15) | 28,377.013 | 18.06 | 512,489 |
| Qualified XII (1.20) | 15,051.527 | 17.96 | 270,325 |
| Qualified XII (1.25) | 71,483.097 | 17.87 | 1,277,403 |
| Qualified XII (1.30) | 3,288.638 | 17.78 | 58,472 |
| Qualified XII (1.35) | 122.153 | 17.68 | 2,160 |
| Qualified XII (1.40) | 2,554.094 | 17.59 | 44,927 |
| Qualified XII (1.45) | 1,157.429 | 17.50 | 20,255 |
| Qualified XII (1.50) | 726.260 | 17.41 | 12,644 |
| Qualified XV | 5,193.127 | 18.44 | 95,761 |
| Qualified XVI | 18,193.906 | 17.41 | 316,756 |
| Qualified XVIII | 2,242.346 | 17.87 | 40,071 |
| Qualified XXI | 36,658.145 | 18.73 | 686,607 |
| Qualified XXVII | 501,012.523 | 20.19 | 10,115,443 |
| Qualified XXVIII | 589,708.603 | 17.29 | 10,196,062 |
| Qualified XXXII | 202.874 | 15.37 | 3,118 |
| Qualified XXXIII (0.65) | 49,952.061 | 19.12 | 955,083 |
| Qualified XXXIV | 9,148.013 | 9.85 | 90,108 |
| Qualified XXXVIII | 36,622.790 | 10.13 | 370,989 |
| Qualified XLIII | 1,173.841 | 9.87 | 11,586 |
| Qualified LIV | 23,223.865 | 13.19 | 306,323 |
| Qualified LVI | 21,549.455 | 13.56 | 292,211 |
| Qualified LIX | 1,101.908 | 19.54 | 21,531 |
| | <u>5,934,070.903</u> | | <u>\$ 109,151,422</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---|--------------------|-------------------|-----------------------|
| Fundamental InvestorsSM, Inc. - Class R-3 | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 18,492.421 | \$ 9.06 | \$ 167,541 |
| ING MAP PLUS NP3 | 1,592.483 | 9.03 | 14,380 |
| ING MAP PLUS NP4 | 7,533.994 | 9.02 | 67,957 |
| ING MAP PLUS NP6 | 12,233.834 | 8.98 | 109,860 |
| ING MAP PLUS NP8 | 5,675.019 | 8.95 | 50,791 |
| ING MAP PLUS NP11 | 3,075.996 | 8.90 | 27,376 |
| ING MAP PLUS NP12 | 103.072 | 8.88 | 915 |
| ING MAP PLUS NP13 | 3,660.945 | 8.87 | 32,473 |
| ING MAP PLUS NP14 | 6,488.137 | 8.85 | 57,420 |
| ING MAP PLUS NP15 | 4,190.535 | 8.84 | 37,044 |
| ING MAP PLUS NP17 | 29,036.352 | 8.80 | 255,520 |
| ING MAP PLUS NP18 | 13,839.257 | 8.79 | 121,647 |
| ING MAP PLUS NP21 | 6,999.102 | 8.74 | 61,172 |
| ING MAP PLUS NP22 | 2,250.869 | 8.72 | 19,628 |
| ING MAP PLUS NP23 | 6,870.556 | 8.71 | 59,843 |
| ING MAP PLUS NP26 | 873.286 | 8.66 | 7,563 |
| ING MAP PLUS NP30 | 96.316 | 8.60 | 828 |
| ING MAP PLUS NP32 | 91.596 | 8.57 | 785 |
| | <u>123,103.770</u> | | <u>\$ 1,092,743</u> |
| Fundamental InvestorsSM, Inc. - Class R-4 | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 2,893.024 | \$ 8.76 | \$ 25,343 |
| ING Custom Choice 65 | 1,170.941 | 9.03 | 10,574 |
| Qualified VI | 944,376.912 | 8.76 | 8,272,742 |
| Qualified XII (0.00) | 100,899.583 | 9.17 | 925,249 |
| Qualified XII (0.20) | 38,696.307 | 9.10 | 352,136 |
| Qualified XII (0.30) | 4,102.116 | 9.07 | 37,206 |
| Qualified XII (0.40) | 191,348.701 | 9.03 | 1,727,879 |
| Qualified XII (0.50) | 89,862.312 | 9.00 | 808,761 |
| Qualified XII (0.55) | 20,775.725 | 8.98 | 186,566 |
| Qualified XII (0.60) | 32,867.695 | 8.97 | 294,823 |
| Qualified XII (0.65) | 18,593.351 | 8.95 | 166,410 |
| Qualified XII (0.70) | 89,927.204 | 8.93 | 803,050 |
| Qualified XII (0.75) | 204,466.355 | 8.92 | 1,823,840 |
| Qualified XII (0.80) | 125,235.764 | 8.90 | 1,114,598 |
| Qualified XII (0.85) | 254,776.627 | 8.89 | 2,264,964 |
| Qualified XII (0.95) | 225,831.898 | 8.85 | 1,998,612 |
| Qualified XII (1.00) | 649,765.474 | 8.84 | 5,743,927 |
| Qualified XII (1.05) | 8,822.139 | 8.82 | 77,811 |
| Qualified XII (1.10) | 32,043.006 | 8.80 | 281,978 |
| Qualified XII (1.15) | 19,487.050 | 8.79 | 171,291 |
| Qualified XII (1.20) | 213.112 | 8.77 | 1,869 |
| Qualified XII (1.25) | 62,132.063 | 8.76 | 544,277 |
| Qualified XII (1.35) | 460.763 | 8.72 | 4,018 |
| Qualified XII (1.40) | 2,096.335 | 8.71 | 18,259 |
| Qualified XII (1.50) | 1,989.233 | 8.68 | 17,267 |
| Qualified XIII | 320.044 | 8.85 | 2,832 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---|----------------------|-------------------|-----------------------|
| Fundamental InvestorsSM, Inc. - Class R-4 (continued) | | | |
| Qualified XVI | 16,752.892 | \$ 8.68 | \$ 145,415 |
| Qualified XXI | 456,738.853 | 8.90 | 4,064,976 |
| Qualified XXXIV | 871.935 | 8.92 | 7,778 |
| Qualified XXXVIII | 9,583.144 | 9.17 | 87,877 |
| Qualified XLIII | 56.305 | 8.94 | 503 |
| Qualified LIV | 38,057.180 | 8.90 | 338,709 |
| Qualified LVI | 3,404.974 | 9.08 | 30,917 |
| | <u>3,648,619.017</u> | | <u>\$ 32,352,457</u> |
| The Growth Fund of America® - Class R-3 | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 105,792.388 | \$ 13.13 | \$ 1,389,054 |
| ING MAP PLUS NP3 | 3,150.451 | 13.02 | 41,019 |
| ING MAP PLUS NP5 | 0.023 | 12.92 | - |
| ING MAP PLUS NP6 | 28,500.701 | 12.87 | 366,804 |
| ING MAP PLUS NP8 | 118,452.686 | 12.77 | 1,512,641 |
| ING MAP PLUS NP9 | 128,799.235 | 12.72 | 1,638,326 |
| ING MAP PLUS NP10 | 2,776.058 | 12.67 | 35,173 |
| ING MAP PLUS NP11 | 91,952.135 | 12.62 | 1,160,436 |
| ING MAP PLUS NP12 | 45,451.585 | 12.57 | 571,326 |
| ING MAP PLUS NP13 | 39,611.276 | 12.52 | 495,933 |
| ING MAP PLUS NP14 | 112,368.255 | 12.47 | 1,401,232 |
| ING MAP PLUS NP15 | 105,482.849 | 12.42 | 1,310,097 |
| ING MAP PLUS NP16 | 3,877.744 | 12.37 | 47,968 |
| ING MAP PLUS NP17 | 49,609.360 | 12.32 | 611,187 |
| ING MAP PLUS NP18 | 11,431.399 | 12.27 | 140,263 |
| ING MAP PLUS NP19 | 63,789.691 | 12.22 | 779,510 |
| ING MAP PLUS NP20 | 32,652.673 | 12.18 | 397,710 |
| ING MAP PLUS NP21 | 37,095.058 | 12.13 | 449,963 |
| ING MAP PLUS NP22 | 27,708.399 | 12.08 | 334,717 |
| ING MAP PLUS NP23 | 34,010.492 | 12.03 | 409,146 |
| ING MAP PLUS NP24 | 7,116.684 | 11.98 | 85,258 |
| ING MAP PLUS NP25 | 1,840.797 | 11.94 | 21,979 |
| ING MAP PLUS NP26 | 12,374.109 | 11.89 | 147,128 |
| ING MAP PLUS NP28 | 11,996.264 | 11.80 | 141,556 |
| ING MAP PLUS NP29 | 3,258.288 | 11.75 | 38,285 |
| ING MAP PLUS NP30 | 1,204.006 | 11.70 | 14,087 |
| ING MAP PLUS NP32 | 1,885.486 | 11.61 | 21,890 |
| Qualified XII (1.00) | 82,664.089 | 9.71 | 802,668 |
| | <u>1,164,852.181</u> | | <u>\$ 14,365,356</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-4 | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 15,883.752 | \$ 12.52 | \$ 198,865 |
| ING Custom Choice 65 | 5,037.946 | 12.52 | 63,075 |
| Qualified V | 3,297.457 | 12.04 | 39,701 |
| Qualified VI | 4,708,634.146 | 12.19 | 57,398,250 |
| Qualified XII (0.00) | 189,150.574 | 13.42 | 2,538,401 |
| Qualified XII (0.05) | 19,245.633 | 13.39 | 257,699 |
| Qualified XII (0.10) | 504.311 | 13.31 | 6,712 |
| Qualified XII (0.20) | 231,024.977 | 13.21 | 3,051,840 |
| Qualified XII (0.25) | 781.991 | 13.16 | 10,291 |
| Qualified XII (0.30) | 72,655.150 | 13.11 | 952,509 |
| Qualified XII (0.35) | 1,830.709 | 13.06 | 23,909 |
| Qualified XII (0.40) | 198,885.209 | 13.01 | 2,587,497 |
| Qualified XII (0.50) | 3,130,770.380 | 12.91 | 40,418,246 |
| Qualified XII (0.55) | 352,289.128 | 12.86 | 4,530,438 |
| Qualified XII (0.60) | 121,179.028 | 12.81 | 1,552,303 |
| Qualified XII (0.65) | 482,681.605 | 12.76 | 6,159,017 |
| Qualified XII (0.70) | 365,512.395 | 12.71 | 4,645,663 |
| Qualified XII (0.75) | 1,226,025.660 | 12.67 | 15,533,745 |
| Qualified XII (0.80) | 1,192,581.000 | 12.62 | 15,050,372 |
| Qualified XII (0.85) | 1,035,803.854 | 12.57 | 13,020,054 |
| Qualified XII (0.90) | 13,592.110 | 12.52 | 170,173 |
| Qualified XII (0.95) | 1,014,665.272 | 12.47 | 12,652,876 |
| Qualified XII (1.00) | 3,449,059.520 | 12.43 | 42,871,810 |
| Qualified XII (1.05) | 66,293.806 | 12.38 | 820,717 |
| Qualified XII (1.10) | 127,160.468 | 12.33 | 1,567,889 |
| Qualified XII (1.15) | 178,663.512 | 12.28 | 2,193,988 |
| Qualified XII (1.20) | 28,206.525 | 12.24 | 345,248 |
| Qualified XII (1.25) | 358,043.111 | 12.19 | 4,364,546 |
| Qualified XII (1.30) | 6,330.771 | 12.14 | 76,856 |
| Qualified XII (1.35) | 291.531 | 12.10 | 3,528 |
| Qualified XII (1.40) | 33,780.453 | 12.05 | 407,054 |
| Qualified XII (1.45) | 5,545.888 | 12.00 | 66,551 |
| Qualified XII (1.50) | 3,270.475 | 11.96 | 39,115 |
| Qualified XIII | 1,285.923 | 12.47 | 16,035 |
| Qualified XV | 30,540.812 | 12.47 | 380,844 |
| Qualified XVI | 100,578.514 | 11.96 | 1,202,919 |
| Qualified XVII | 11,201.764 | 12.29 | 137,670 |
| Qualified XXI | 157,238.974 | 12.62 | 1,984,356 |
| Qualified XXVII | 2,634,039.777 | 11.91 | 31,371,414 |
| Qualified XXXIII (0.65) | 17,793.192 | 13.11 | 233,269 |
| Qualified XXXIV | 75,074.174 | 8.28 | 621,614 |
| Qualified XXXVIII | 53,689.276 | 8.51 | 456,896 |
| Qualified XLIII | 27,275.916 | 8.30 | 226,390 |
| Qualified LIV | 82,584.585 | 12.28 | 1,014,139 |
| Qualified LVI | 35,013.667 | 12.63 | 442,223 |
| | <u>21,864,994.921</u> | | <u>\$ 271,706,707</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|--------------------|--------------------|-----------------------|
| The Hartford Capital Appreciation Fund - Class R4 | | | |
| Contracts in accumulation period: | | | |
| Qualified XII (0.65) | 17,887.507 | \$ 9.67 | \$ 172,972 |
| The Hartford Dividend And Growth Fund - Class R4 | | | |
| Contracts in accumulation period: | | | |
| Qualified XII (0.65) | 2,485.324 | \$ 11.19 | \$ 27,811 |
| The Income Fund of America® - Class R-3 | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 8,933.512 | \$ 14.63 | \$ 130,697 |
| ING MAP PLUS NP4 | 4,159.243 | 14.46 | 60,143 |
| ING MAP PLUS NP5 | 0.006 | 14.40 | - |
| ING MAP PLUS NP6 | 7,530.623 | 14.35 | 108,064 |
| ING MAP PLUS NP9 | 21,510.967 | 14.18 | 305,026 |
| ING MAP PLUS NP10 | 3,353.171 | 14.12 | 47,347 |
| ING MAP PLUS NP11 | 3,197.978 | 14.07 | 44,996 |
| ING MAP PLUS NP12 | 14,185.437 | 14.01 | 198,738 |
| ING MAP PLUS NP13 | 7,700.790 | 13.96 | 107,503 |
| ING MAP PLUS NP14 | 7,490.113 | 13.90 | 104,113 |
| ING MAP PLUS NP15 | 10,675.803 | 13.85 | 147,860 |
| ING MAP PLUS NP16 | 1,426.023 | 13.79 | 19,665 |
| ING MAP PLUS NP17 | 3,371.964 | 13.74 | 46,331 |
| ING MAP PLUS NP18 | 7,241.099 | 13.68 | 99,058 |
| ING MAP PLUS NP19 | 4,971.715 | 13.63 | 67,764 |
| ING MAP PLUS NP20 | 1,418.091 | 13.57 | 19,243 |
| ING MAP PLUS NP21 | 15,736.378 | 13.52 | 212,756 |
| ING MAP PLUS NP22 | 6,383.848 | 13.47 | 85,990 |
| ING MAP PLUS NP23 | 3,316.092 | 13.42 | 44,502 |
| ING MAP PLUS NP24 | 2,254.204 | 13.36 | 30,116 |
| ING MAP PLUS NP25 | 8,816.289 | 13.31 | 117,345 |
| ING MAP PLUS NP26 | 5,789.599 | 13.26 | 76,770 |
| ING MAP PLUS NP28 | 2,837.445 | 13.15 | 37,312 |
| ING MAP PLUS NP29 | 736.344 | 13.10 | 9,646 |
| | <u>153,036.734</u> | | <u>\$ 2,120,985</u> |
| ING Balanced Portfolio - Class I | | | |
| Currently payable annuity contracts: | 671,808.199 | \$10.92 to \$37.17 | \$ 16,367,475 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 314.920 | 11.80 | 3,716 |
| ING Custom Choice 65 | 6,449.908 | 11.73 | 75,657 |
| ING MAP PLUS NP1 | 1,743.205 | 12.32 | 21,476 |
| ING MAP PLUS NP15 | 0.232 | 11.66 | 3 |
| ING MAP PLUS NP18 | 2,001.863 | 11.52 | 23,061 |
| ING MAP PLUS NP21 | 1,530.178 | 11.38 | 17,413 |
| ING MAP PLUS NP25 | 286.704 | 11.20 | 3,211 |
| Qualified I | 15,941.911 | 36.25 | 577,894 |
| Qualified IX | 763.327 | 27.12 | 20,701 |
| Qualified V | 673.172 | 26.59 | 17,900 |
| Qualified VI | 4,164,501.843 | 27.24 | 113,441,030 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---|--------------|-------------------|-----------------------|
| ING Balanced Portfolio - Class I (continued) | | | |
| Qualified VII | 41,000.581 | \$ 26.42 | \$ 1,083,235 |
| Qualified VIII | 1,699.422 | 25.26 | 42,927 |
| Qualified X (1.15) | 324,120.579 | 27.74 | 8,991,105 |
| Qualified X (1.25) | 732,105.290 | 27.24 | 19,942,548 |
| Qualified XII (0.05) | 43,642.290 | 31.07 | 1,355,966 |
| Qualified XII (0.10) | 65.901 | 15.57 | 1,026 |
| Qualified XII (0.20) | 112,983.149 | 15.36 | 1,735,421 |
| Qualified XII (0.25) | 127,231.288 | 15.25 | 1,940,277 |
| Qualified XII (0.30) | 28,128.467 | 15.15 | 426,146 |
| Qualified XII (0.35) | 2,793.989 | 15.05 | 42,050 |
| Qualified XII (0.40) | 63,229.469 | 21.47 | 1,357,537 |
| Qualified XII (0.45) | 7.381 | 14.84 | 110 |
| Qualified XII (0.50) | 174,927.933 | 15.31 | 2,678,147 |
| Qualified XII (0.55) | 90,593.933 | 14.64 | 1,326,295 |
| Qualified XII (0.60) | 597,025.135 | 14.54 | 8,680,745 |
| Qualified XII (0.65) | 336,647.632 | 14.44 | 4,861,192 |
| Qualified XII (0.70) | 258,977.134 | 14.35 | 3,716,322 |
| Qualified XII (0.75) | 254,305.135 | 14.25 | 3,623,848 |
| Qualified XII (0.80) | 798,509.684 | 15.10 | 12,057,496 |
| Qualified XII (0.85) | 579,152.621 | 20.29 | 11,751,007 |
| Qualified XII (0.90) | 72,856.779 | 14.64 | 1,066,623 |
| Qualified XII (0.95) | 527,000.251 | 19.97 | 10,524,195 |
| Qualified XII (1.00) | 883,574.694 | 19.82 | 17,512,450 |
| Qualified XII (1.05) | 47,136.676 | 19.66 | 926,707 |
| Qualified XII (1.10) | 109,209.426 | 19.51 | 2,130,676 |
| Qualified XII (1.15) | 198,844.621 | 19.36 | 3,849,632 |
| Qualified XII (1.20) | 13,186.396 | 19.21 | 253,311 |
| Qualified XII (1.25) | 59,511.453 | 19.06 | 1,134,288 |
| Qualified XII (1.30) | 2,779.343 | 18.91 | 52,557 |
| Qualified XII (1.35) | 1,005.061 | 18.76 | 18,855 |
| Qualified XII (1.40) | 11,453.043 | 18.62 | 213,256 |
| Qualified XII (1.45) | 31.254 | 18.47 | 577 |
| Qualified XII (1.50) | 599.028 | 18.33 | 10,980 |
| Qualified XIII | 32.574 | 28.54 | 930 |
| Qualified XIX | 3,128.500 | 37.60 | 117,632 |
| Qualified XV | 7,901.875 | 28.50 | 225,203 |
| Qualified XVI | 82,734.437 | 26.25 | 2,171,779 |
| Qualified XVII | 43,540.615 | 28.25 | 1,230,022 |
| Qualified XVIII | 106,776.622 | 28.25 | 3,016,440 |
| Qualified XX | 14,581.491 | 37.09 | 540,828 |
| Qualified XXVII | 692,758.496 | 36.79 | 25,486,585 |
| Qualified XXVIII | 74,024.737 | 36.74 | 2,719,669 |
| Qualified XXX | 31,660.917 | 34.79 | 1,101,483 |
| Qualified XXXII | 170,175.801 | 11.83 | 2,013,180 |
| Qualified XXXIV | 108,258.290 | 9.35 | 1,012,215 |
| Qualified XXXVI | 18,475.164 | 13.14 | 242,764 |
| Qualified XXXVIII | 119,672.710 | 9.61 | 1,150,055 |
| Qualified XLIII | 10,192.415 | 9.37 | 95,503 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---|-----------------------|-------------------|-----------------------|
| ING Balanced Portfolio - Class I (continued) | | | |
| Qualified LIV | 153,281.395 | \$ 11.51 | \$ 1,764,269 |
| Qualified LVI | 208,697.360 | 11.85 | 2,473,064 |
| Qualified LIX | 2,345.047 | 13.33 | 31,259 |
| | <u>13,208,588.946</u> | | <u>\$ 299,269,924</u> |
| ING Real Estate Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 25,248.812 | \$ 19.12 | \$ 482,757 |
| ING MAP PLUS NP6 | 6,112.559 | 18.75 | 114,610 |
| ING MAP PLUS NP8 | 2,680.903 | 18.60 | 49,865 |
| ING MAP PLUS NP9 | 15,887.936 | 18.52 | 294,245 |
| ING MAP PLUS NP11 | 2,380.442 | 18.38 | 43,753 |
| ING MAP PLUS NP12 | 18,613.950 | 18.31 | 340,821 |
| ING MAP PLUS NP13 | 2,537.050 | 18.23 | 46,250 |
| ING MAP PLUS NP14 | 11,140.163 | 18.16 | 202,305 |
| ING MAP PLUS NP15 | 224.802 | 18.09 | 4,067 |
| ING MAP PLUS NP17 | 352.569 | 17.95 | 6,329 |
| ING MAP PLUS NP18 | 128.504 | 17.88 | 2,298 |
| ING MAP PLUS NP19 | 4,022.969 | 17.81 | 71,649 |
| ING MAP PLUS NP20 | 13,452.127 | 17.74 | 238,641 |
| ING MAP PLUS NP21 | 5,004.774 | 17.67 | 88,434 |
| ING MAP PLUS NP22 | 356.314 | 17.60 | 6,271 |
| ING MAP PLUS NP23 | 4,441.500 | 17.53 | 77,859 |
| ING MAP PLUS NP25 | 1,096.116 | 17.39 | 19,061 |
| ING MAP PLUS NP26 | 43.237 | 17.32 | 749 |
| ING MAP PLUS NP28 | 321.232 | 17.18 | 5,519 |
| ING MAP PLUS NP30 | 150.823 | 17.05 | 2,572 |
| | <u>114,196.782</u> | | <u>\$ 2,098,055</u> |
| ING Value Choice Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP13 | 214.391 | \$ 11.90 | \$ 2,551 |
| ING GNMA Income Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 65 | 337.068 | \$ 10.99 | \$ 3,704 |
| ING MAP PLUS NP1 | 9,810.789 | 14.81 | 145,298 |
| ING MAP PLUS NP8 | 16,293.900 | 14.41 | 234,795 |
| ING MAP PLUS NP9 | 32,335.098 | 14.35 | 464,009 |
| ING MAP PLUS NP11 | 10,237.268 | 14.24 | 145,779 |
| ING MAP PLUS NP12 | 358.999 | 14.18 | 5,091 |
| ING MAP PLUS NP13 | 180.926 | 14.13 | 2,556 |
| ING MAP PLUS NP14 | 11,734.478 | 14.07 | 165,104 |
| ING MAP PLUS NP15 | 95,996.825 | 14.02 | 1,345,875 |
| ING MAP PLUS NP17 | 23,195.300 | 13.91 | 322,647 |
| ING MAP PLUS NP18 | 13,863.601 | 13.85 | 192,011 |
| ING MAP PLUS NP19 | 18,811.359 | 13.80 | 259,597 |
| ING MAP PLUS NP20 | 17,376.443 | 13.74 | 238,752 |
| ING MAP PLUS NP21 | 9,890.061 | 13.69 | 135,395 |
| ING MAP PLUS NP22 | 1,483.877 | 13.63 | 20,225 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---|--------------------|-------------------|-----------------------|
| ING GNMA Income Fund - Class A (continued) | | | |
| ING MAP PLUS NP23 | 11,489.620 | \$ 13.58 | \$ 156,029 |
| ING MAP PLUS NP24 | 333.279 | 13.53 | 4,509 |
| ING MAP PLUS NP26 | 1,212.425 | 13.42 | 16,271 |
| ING MAP PLUS NP28 | 2,633.860 | 13.31 | 35,057 |
| ING MAP PLUS NP29 | 3,175.985 | 13.26 | 42,114 |
| ING MAP PLUS NP32 | 2,110.479 | 13.10 | 27,647 |
| Qualified VI | 15,824.169 | 10.84 | 171,534 |
| Qualified XII (0.25) | 810.574 | 16.78 | 13,601 |
| Qualified XII (0.50) | 2,720.559 | 16.34 | 44,454 |
| Qualified XII (0.65) | 1,210.415 | 16.09 | 19,476 |
| Qualified XII (0.75) | 451.004 | 15.92 | 7,180 |
| Qualified XII (0.95) | 15,855.319 | 10.89 | 172,664 |
| Qualified XII (1.00) | 24,279.177 | 13.44 | 326,312 |
| Qualified XII (1.25) | 519.351 | 10.84 | 5,630 |
| Qualified XVI | 1,823.796 | 10.80 | 19,697 |
| Qualified LIV | 7,345.993 | 10.92 | 80,218 |
| Qualified LVI | 1,253.783 | 11.02 | 13,817 |
| | <u>354,955.780</u> | | <u>\$ 4,837,048</u> |
| ING Intermediate Bond Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 34,940.223 | \$ 13.98 | \$ 488,464 |
| ING MAP PLUS NP8 | 53,647.228 | 13.59 | 729,066 |
| ING MAP PLUS NP9 | 20,286.564 | 13.54 | 274,680 |
| ING MAP PLUS NP11 | 32,233.139 | 13.43 | 432,891 |
| ING MAP PLUS NP12 | 1,139.848 | 13.38 | 15,251 |
| ING MAP PLUS NP13 | 9,911.005 | 13.33 | 132,114 |
| ING MAP PLUS NP14 | 11,812.113 | 13.28 | 156,865 |
| ING MAP PLUS NP15 | 17,935.544 | 13.22 | 237,108 |
| ING MAP PLUS NP16 | 1,335.912 | 13.17 | 17,594 |
| ING MAP PLUS NP17 | 20,751.765 | 13.12 | 272,263 |
| ING MAP PLUS NP18 | 227.112 | 13.07 | 2,968 |
| ING MAP PLUS NP19 | 6,357.094 | 13.02 | 82,769 |
| ING MAP PLUS NP21 | 3,006.796 | 12.91 | 38,818 |
| ING MAP PLUS NP22 | 1,160.014 | 12.86 | 14,918 |
| ING MAP PLUS NP23 | 3,570.490 | 12.81 | 45,738 |
| ING MAP PLUS NP24 | 3,199.151 | 12.76 | 40,821 |
| ING MAP PLUS NP25 | 20,152.147 | 12.71 | 256,134 |
| ING MAP PLUS NP26 | 3,308.716 | 12.66 | 41,888 |
| ING MAP PLUS NP28 | 4,364.478 | 12.56 | 54,818 |
| ING MAP PLUS NP32 | 1,650.598 | 12.36 | 20,401 |
| | <u>250,989.937</u> | | <u>\$ 3,355,569</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|---------------|--------------------|-----------------------|
| ING Intermediate Bond Portfolio - Class I | | | |
| Currently payable annuity contracts: | 771,255.196 | \$12.29 to \$93.56 | \$ 13,260,256 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 30,286.555 | 13.18 | 399,177 |
| ING Custom Choice 65 | 19,031.609 | 13.31 | 253,311 |
| ING MAP PLUS NP1 | 61,687.058 | 13.85 | 854,366 |
| ING MAP PLUS NP8 | 25,292.833 | 13.47 | 340,694 |
| ING MAP PLUS NP9 | 45,662.189 | 13.41 | 612,330 |
| ING MAP PLUS NP10 | 645.056 | 13.36 | 8,618 |
| ING MAP PLUS NP11 | 72,929.618 | 13.31 | 970,693 |
| ING MAP PLUS NP12 | 70,313.214 | 13.26 | 932,353 |
| ING MAP PLUS NP13 | 11.345 | 13.20 | 150 |
| ING MAP PLUS NP14 | 30,429.538 | 13.15 | 400,148 |
| ING MAP PLUS NP15 | 21,414.256 | 13.10 | 280,527 |
| ING MAP PLUS NP16 | 242.513 | 13.05 | 3,165 |
| ING MAP PLUS NP17 | 11,144.994 | 13.00 | 144,885 |
| ING MAP PLUS NP18 | 188.982 | 12.95 | 2,447 |
| ING MAP PLUS NP19 | 9,250.615 | 12.89 | 119,240 |
| ING MAP PLUS NP20 | 5,599.446 | 12.84 | 71,897 |
| ING MAP PLUS NP21 | 14,816.821 | 12.79 | 189,507 |
| ING MAP PLUS NP22 | 2,626.885 | 12.74 | 33,467 |
| ING MAP PLUS NP23 | 11,578.255 | 12.69 | 146,928 |
| ING MAP PLUS NP26 | 584.761 | 12.54 | 7,333 |
| ING MAP PLUS NP27 | 1,232.581 | 12.49 | 15,395 |
| ING MAP PLUS NP28 | 1,283.783 | 12.44 | 15,970 |
| ING MAP PLUS NP29 | 3,692.701 | 12.40 | 45,789 |
| ING MAP PLUS NP30 | 5,887.995 | 12.35 | 72,717 |
| Qualified I | 580.569 | 93.27 | 54,150 |
| Qualified V | 331.051 | 23.33 | 7,723 |
| Qualified VI | 3,608,131.382 | 23.58 | 85,079,738 |
| Qualified VII | 44,825.058 | 21.99 | 985,703 |
| Qualified VIII | 4,485.429 | 21.69 | 97,289 |
| Qualified IX | 398.124 | 23.22 | 9,244 |
| Qualified X (1.15) | 214,558.691 | 24.01 | 5,151,554 |
| Qualified X (1.25) | 486,839.793 | 23.58 | 11,479,682 |
| Qualified XII (0.00) | 2,121.293 | 20.70 | 43,911 |
| Qualified XII (0.05) | 96,203.277 | 26.89 | 2,586,906 |
| Qualified XII (0.05) | 72,609.141 | 26.89 | 1,952,460 |
| Qualified XII (0.10) | 10.963 | 20.42 | 224 |
| Qualified XII (0.20) | 166,824.102 | 20.14 | 3,359,837 |
| Qualified XII (0.25) | 90,151.165 | 20.01 | 1,803,925 |
| Qualified XII (0.30) | 15,783.197 | 19.87 | 313,612 |
| Qualified XII (0.35) | 3,464.576 | 19.74 | 68,391 |
| Qualified XII (0.40) | 144,842.453 | 22.50 | 3,258,955 |
| Qualified XII (0.45) | 929.324 | 19.47 | 18,094 |
| Qualified XII (0.50) | 533,774.859 | 19.60 | 10,461,987 |
| Qualified XII (0.55) | 276,266.867 | 19.21 | 5,307,087 |
| Qualified XII (0.60) | 3,319,845.696 | 19.07 | 63,309,457 |
| Qualified XII (0.65) | 928,288.661 | 18.95 | 17,591,070 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|-----------------------|-------------------|-----------------------|
| ING Intermediate Bond Portfolio - Class I (continued) | | | |
| Qualified XII (0.70) | 130,161.979 | \$ 18.82 | \$ 2,449,648 |
| Qualified XII (0.75) | 349,205.123 | 18.69 | 6,526,644 |
| Qualified XII (0.80) | 668,572.061 | 18.83 | 12,589,212 |
| Qualified XII (0.85) | 603,777.505 | 21.26 | 12,836,310 |
| Qualified XII (0.90) | 37,958.475 | 18.59 | 705,648 |
| Qualified XII (0.95) | 571,134.739 | 20.93 | 11,953,850 |
| Qualified XII (1.00) | 1,403,969.359 | 20.77 | 29,160,444 |
| Qualified XII (1.05) | 41,709.049 | 20.60 | 859,206 |
| Qualified XII (1.10) | 92,326.203 | 20.44 | 1,887,148 |
| Qualified XII (1.15) | 95,720.059 | 20.28 | 1,941,203 |
| Qualified XII (1.20) | 23,276.432 | 20.13 | 468,555 |
| Qualified XII (1.25) | 118,941.301 | 19.97 | 2,375,258 |
| Qualified XII (1.30) | 11,806.465 | 19.81 | 233,886 |
| Qualified XII (1.35) | 523.819 | 19.66 | 10,298 |
| Qualified XII (1.40) | 20,886.121 | 19.51 | 407,488 |
| Qualified XII (1.45) | 5,374.013 | 19.35 | 103,987 |
| Qualified XII (1.50) | 1,294.784 | 19.20 | 24,860 |
| Qualified XV | 11,791.389 | 24.67 | 290,894 |
| Qualified XVI | 102,526.133 | 22.72 | 2,329,394 |
| Qualified XVII | 87,055.081 | 24.10 | 2,098,027 |
| Qualified XVIII | 123,997.071 | 24.10 | 2,988,329 |
| Qualified XIX | 37.708 | 95.33 | 3,595 |
| Qualified XX | 5,255.163 | 93.44 | 491,042 |
| Qualified XXI | 22,235.877 | 25.14 | 559,010 |
| Qualified XXVII | 439,730.793 | 94.03 | 41,347,886 |
| Qualified XXVIII | 104,322.907 | 93.91 | 9,796,964 |
| Qualified XXIX | 271.577 | 91.42 | 24,828 |
| Qualified XXX | 10,724.505 | 88.93 | 953,730 |
| Qualified XXXII | 77,896.223 | 13.07 | 1,018,104 |
| Qualified XXXIII (0.65) | 20,546.085 | 15.95 | 327,710 |
| Qualified XXXIV | 10,041.806 | 11.86 | 119,096 |
| Qualified XXXV | 2,066.611 | 13.14 | 27,155 |
| Qualified XXXVI | 26,096.804 | 16.12 | 420,680 |
| Qualified XXXVIII | 105,330.656 | 12.19 | 1,283,981 |
| Qualified XLIII | 14,636.848 | 11.88 | 173,886 |
| Qualified LIV | 131,939.930 | 13.07 | 1,724,455 |
| Qualified LVI | 301,996.506 | 13.45 | 4,061,853 |
| Qualified LIX | 15,050.246 | 16.35 | 246,072 |
| | <u>17,018,541.876</u> | | <u>\$ 386,942,698</u> |
| ING Intermediate Bond Portfolio - Class S | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 73,929.145 | \$ 12.47 | \$ 921,896 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|----------------------|-------------------|-----------------------|
| ING Artio Foreign Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 6,185.485 | \$ 11.02 | \$ 68,164 |
| ING Custom Choice 65 | 284.450 | 9.88 | 2,810 |
| Qualified VI | 754,895.846 | 10.52 | 7,941,504 |
| Qualified X (1.15) | 32,291.362 | 11.00 | 355,205 |
| Qualified X (1.25) | 43,008.841 | 10.92 | 469,657 |
| Qualified XII (0.00) | 765.880 | 11.57 | 8,861 |
| Qualified XII (0.10) | 230.113 | 11.49 | 2,644 |
| Qualified XII (0.20) | 3,007.750 | 11.40 | 34,288 |
| Qualified XII (0.25) | 90.066 | 11.35 | 1,022 |
| Qualified XII (0.30) | 5,360.563 | 11.31 | 60,628 |
| Qualified XII (0.35) | 4.085 | 11.27 | 46 |
| Qualified XII (0.40) | 96,443.885 | 11.22 | 1,082,100 |
| Qualified XII (0.50) | 146,403.294 | 11.14 | 1,630,933 |
| Qualified XII (0.55) | 14,609.468 | 11.10 | 162,165 |
| Qualified XII (0.60) | 9,372.862 | 11.05 | 103,570 |
| Qualified XII (0.65) | 40,776.366 | 11.01 | 448,948 |
| Qualified XII (0.70) | 28,305.085 | 10.97 | 310,507 |
| Qualified XII (0.75) | 57,272.947 | 10.93 | 625,993 |
| Qualified XII (0.80) | 15,291.103 | 10.88 | 166,367 |
| Qualified XII (0.85) | 116,758.699 | 10.84 | 1,265,664 |
| Qualified XII (0.90) | 8,895.614 | 10.80 | 96,073 |
| Qualified XII (0.95) | 90,770.284 | 10.76 | 976,688 |
| Qualified XII (1.00) | 359,501.705 | 10.72 | 3,853,858 |
| Qualified XII (1.05) | 6,863.675 | 10.68 | 73,304 |
| Qualified XII (1.10) | 19,853.265 | 10.64 | 211,239 |
| Qualified XII (1.15) | 22,740.565 | 10.60 | 241,050 |
| Qualified XII (1.20) | 3,369.706 | 10.56 | 35,584 |
| Qualified XII (1.25) | 38,685.366 | 10.52 | 406,970 |
| Qualified XII (1.30) | 5,273.521 | 10.48 | 55,267 |
| Qualified XII (1.35) | 25.054 | 10.44 | 262 |
| Qualified XII (1.40) | 1,412.334 | 10.40 | 14,688 |
| Qualified XII (1.45) | 420.401 | 10.36 | 4,355 |
| Qualified XV | 93.562 | 10.76 | 1,007 |
| Qualified XVI | 11,314.385 | 10.32 | 116,764 |
| Qualified XVII | 4,623.977 | 10.60 | 49,014 |
| Qualified XVIII | 4,064.169 | 11.12 | 45,194 |
| Qualified XXXII | 1,323.468 | 10.92 | 14,452 |
| Qualified XXXIV | 3,846.229 | 5.47 | 21,039 |
| Qualified XXXVIII | 1,886.135 | 5.62 | 10,600 |
| Qualified XLIII | 33.361 | 5.48 | 183 |
| Qualified LIV | 27,387.743 | 9.70 | 265,661 |
| Qualified LVI | 4,793.314 | 9.97 | 47,789 |
| | <u>1,988,535.983</u> | | <u>\$ 21,282,117</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|--------------|-------------------|-----------------------|
| ING BlackRock Health Sciences Opportunities Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 2,458.326 | \$ 12.34 | \$ 30,336 |
| ING Custom Choice 65 | 534.657 | 13.11 | 7,009 |
| ING MAP PLUS NP6 | 8,543.238 | 13.10 | 111,916 |
| ING MAP PLUS NP8 | 309.393 | 13.01 | 4,025 |
| ING MAP PLUS NP9 | 573.957 | 12.97 | 7,444 |
| ING MAP PLUS NP11 | 65.309 | 12.88 | 841 |
| ING MAP PLUS NP12 | 12,864.315 | 12.84 | 165,178 |
| ING MAP PLUS NP13 | 1,559.736 | 12.80 | 19,965 |
| ING MAP PLUS NP15 | 1,067.334 | 12.71 | 13,566 |
| ING MAP PLUS NP16 | 1,177.322 | 12.67 | 14,917 |
| ING MAP PLUS NP17 | 5,074.040 | 12.63 | 64,085 |
| ING MAP PLUS NP19 | 332.316 | 12.55 | 4,171 |
| ING MAP PLUS NP21 | 0.606 | 12.46 | 8 |
| ING MAP PLUS NP23 | 1,015.880 | 12.38 | 12,577 |
| ING MAP PLUS NP24 | 406.947 | 12.34 | 5,022 |
| ING MAP PLUS NP25 | 3,179.845 | 12.30 | 39,112 |
| Qualified VI | 227,899.869 | 12.34 | 2,812,284 |
| Qualified XII (0.00) | 1,245.628 | 13.41 | 16,704 |
| Qualified XII (0.20) | 6,415.769 | 13.23 | 84,881 |
| Qualified XII (0.25) | 576.532 | 13.19 | 7,604 |
| Qualified XII (0.30) | 138,376.327 | 13.15 | 1,819,649 |
| Qualified XII (0.40) | 31,428.519 | 13.06 | 410,456 |
| Qualified XII (0.50) | 47,395.700 | 12.97 | 614,722 |
| Qualified XII (0.55) | 1,823.662 | 12.93 | 23,580 |
| Qualified XII (0.60) | 1,489.848 | 12.88 | 19,189 |
| Qualified XII (0.65) | 22,200.646 | 12.84 | 285,056 |
| Qualified XII (0.70) | 15,130.320 | 12.80 | 193,668 |
| Qualified XII (0.75) | 27,943.578 | 12.76 | 356,560 |
| Qualified XII (0.80) | 22,510.539 | 12.71 | 286,109 |
| Qualified XII (0.85) | 57,849.739 | 12.67 | 732,956 |
| Qualified XII (0.90) | 1,841.908 | 12.63 | 23,263 |
| Qualified XII (0.95) | 34,715.705 | 12.59 | 437,071 |
| Qualified XII (1.00) | 128,961.695 | 12.54 | 1,617,180 |
| Qualified XII (1.05) | 3,868.350 | 12.50 | 48,354 |
| Qualified XII (1.10) | 9,172.705 | 12.46 | 114,292 |
| Qualified XII (1.15) | 5,793.625 | 12.42 | 71,957 |
| Qualified XII (1.20) | 1,443.105 | 12.38 | 17,866 |
| Qualified XII (1.25) | 19,796.071 | 12.34 | 244,284 |
| Qualified XII (1.30) | 149.502 | 12.30 | 1,839 |
| Qualified XII (1.40) | 1,862.522 | 12.21 | 22,741 |
| Qualified XII (1.45) | 481.758 | 12.17 | 5,863 |
| Qualified XII (1.50) | 587.084 | 12.13 | 7,121 |
| Qualified XV | 2,043.965 | 12.59 | 25,734 |
| Qualified XVI | 6,406.930 | 12.13 | 77,716 |
| Qualified XXI | 7,770.345 | 12.71 | 98,761 |
| Qualified XXXIV | 823.649 | 9.29 | 7,652 |
| Qualified XXXVIII | 5,573.384 | 9.55 | 53,226 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|--------------------|-------------------|-----------------------|
| ING BlackRock Health Sciences Opportunities Portfolio - Service Class (continued) | | | |
| Qualified LIV | 4,853.156 | \$ 12.86 | \$ 62,412 |
| Qualified LVI | 14,598.372 | 13.22 | 192,990 |
| | <u>892,193.728</u> | | <u>\$ 11,293,912</u> |
| ING BlackRock Inflation Protected Bond Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 6,914.633 | \$ 10.65 | \$ 73,641 |
| ING BlackRock Large Cap Growth Portfolio - Institutional Class | | | |
| Currently payable annuity contracts: | 34,520.733 | \$8.22 to \$8.43 | \$ 288,926 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 4,444.461 | 8.85 | 39,333 |
| ING Custom Choice 65 | 31,395.020 | 9.22 | 289,462 |
| Qualified V | 3,368.436 | 8.78 | 29,575 |
| Qualified VI | 3,020,458.258 | 8.85 | 26,731,056 |
| Qualified VIII | 684.687 | 8.84 | 6,053 |
| Qualified X (1.15) | 228,119.225 | 8.89 | 2,027,980 |
| Qualified X (1.25) | 111,285.249 | 8.85 | 984,874 |
| Qualified XII (0.05) | 43,543.017 | 9.41 | 409,740 |
| Qualified XII (0.20) | 17,033.092 | 9.32 | 158,748 |
| Qualified XII (0.25) | 31,886.001 | 9.30 | 296,540 |
| Qualified XII (0.30) | 25,339.734 | 9.28 | 235,153 |
| Qualified XII (0.35) | 7,497.266 | 9.25 | 69,350 |
| Qualified XII (0.40) | 124,136.404 | 9.23 | 1,145,779 |
| Qualified XII (0.45) | 765.922 | 9.21 | 7,054 |
| Qualified XII (0.50) | 106,562.140 | 9.19 | 979,306 |
| Qualified XII (0.55) | 85,903.461 | 9.16 | 786,876 |
| Qualified XII (0.60) | 57,874.945 | 9.14 | 528,977 |
| Qualified XII (0.65) | 397,924.932 | 9.12 | 3,629,075 |
| Qualified XII (0.70) | 113,458.805 | 9.10 | 1,032,475 |
| Qualified XII (0.75) | 81,395.828 | 9.08 | 739,074 |
| Qualified XII (0.80) | 186,033.266 | 9.05 | 1,683,601 |
| Qualified XII (0.85) | 353,363.626 | 9.03 | 3,190,874 |
| Qualified XII (0.90) | 20,937.908 | 9.01 | 188,651 |
| Qualified XII (0.95) | 281,372.032 | 8.99 | 2,529,535 |
| Qualified XII (1.00) | 885,779.491 | 8.97 | 7,945,442 |
| Qualified XII (1.05) | 81,775.211 | 8.95 | 731,888 |
| Qualified XII (1.10) | 107,497.707 | 8.92 | 958,880 |
| Qualified XII (1.15) | 46,135.904 | 8.90 | 410,610 |
| Qualified XII (1.20) | 21,968.736 | 8.88 | 195,082 |
| Qualified XII (1.25) | 58,953.216 | 8.86 | 522,325 |
| Qualified XII (1.30) | 14,209.255 | 8.84 | 125,610 |
| Qualified XII (1.35) | 2.658 | 8.82 | 23 |
| Qualified XII (1.40) | 15,733.025 | 8.80 | 138,451 |
| Qualified XII (1.45) | 8,207.046 | 8.77 | 71,976 |
| Qualified XII (1.50) | 6,120.771 | 8.75 | 53,557 |
| Qualified XV | 18,177.759 | 8.98 | 163,236 |
| Qualified XVI | 77,583.878 | 8.74 | 678,083 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---|----------------------|-------------------|-----------------------|
| ING BlackRock Large Cap Growth Portfolio - Institutional Class (continued) | | | |
| Qualified XVII | 1,792.164 | \$ 8.85 | \$ 15,861 |
| Qualified XVIII | 14,721.035 | 8.95 | 131,753 |
| Qualified XXII | 494.819 | 9.19 | 4,547 |
| Qualified XXVII | 1,903,993.285 | 8.95 | 17,040,740 |
| Qualified XXVIII | 297,479.007 | 8.97 | 2,668,387 |
| Qualified XXXII | 10,771.260 | 8.85 | 95,326 |
| Qualified XXXIII (0.65) | 26.130 | 9.11 | 238 |
| Qualified XXXIV | 52,910.998 | 8.45 | 447,098 |
| Qualified XXXVI | 15,501.493 | 9.15 | 141,839 |
| Qualified XXXVIII | 33,229.977 | 8.69 | 288,769 |
| Qualified XLIII | 9,616.837 | 8.47 | 81,455 |
| Qualified LIV | 18,407.125 | 9.04 | 166,400 |
| Qualified LVI | 98,587.911 | 9.30 | 916,868 |
| Qualified LIX | 2,672.269 | 9.17 | 24,505 |
| | <u>9,171,653.415</u> | | <u>\$ 82,027,016</u> |
| ING BlackRock Large Cap Growth Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP11 | 4,237.102 | \$ 13.51 | \$ 57,243 |
| ING MAP PLUS NP25 | 23.608 | 13.26 | 313 |
| Qualified XII (0.00) | 839.341 | 10.78 | 9,048 |
| Qualified XII (0.50) | 46,155.114 | 10.49 | 484,167 |
| | <u>51,255.165</u> | | <u>\$ 550,771</u> |
| ING BlackRock Large Cap Growth Portfolio - Service 2 Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 28,827.859 | \$ 9.07 | \$ 261,469 |
| ING Clarion Global Real Estate Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 250.273 | \$ 8.90 | \$ 2,227 |
| ING Clarion Global Real Estate Portfolio - Institutional Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 993.484 | \$ 9.52 | \$ 9,458 |
| ING Custom Choice 65 | 1,515.836 | 9.80 | 14,855 |
| Qualified V | 31.383 | 9.47 | 297 |
| Qualified VI | 1,023,728.246 | 9.52 | 9,745,893 |
| Qualified X (1.15) | 19,437.126 | 9.57 | 186,013 |
| Qualified X (1.25) | 75,894.654 | 9.54 | 724,035 |
| Qualified XII (0.00) | 8,673.485 | 9.93 | 86,128 |
| Qualified XII (0.10) | 89.903 | 9.90 | 890 |
| Qualified XII (0.20) | 89,752.506 | 9.86 | 884,960 |
| Qualified XII (0.25) | 0.862 | 9.85 | 8 |
| Qualified XII (0.30) | 5,800.201 | 9.83 | 57,016 |
| Qualified XII (0.40) | 186,937.559 | 9.80 | 1,831,988 |
| Qualified XII (0.50) | 1,017,736.829 | 9.77 | 9,943,289 |
| Qualified XII (0.55) | 49,576.000 | 9.75 | 483,366 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---|----------------------|--------------------|-----------------------|
| ING Clarion Global Real Estate Portfolio - Institutional Class (continued) | | | |
| Qualified XII (0.60) | 30,940.605 | \$ 9.73 | \$ 301,052 |
| Qualified XII (0.65) | 36,013.498 | 9.72 | 350,051 |
| Qualified XII (0.70) | 46,097.470 | 9.70 | 447,145 |
| Qualified XII (0.75) | 151,285.446 | 9.68 | 1,464,443 |
| Qualified XII (0.80) | 192,413.436 | 9.67 | 1,860,638 |
| Qualified XII (0.85) | 221,526.935 | 9.65 | 2,137,735 |
| Qualified XII (0.90) | 11,255.665 | 9.64 | 108,505 |
| Qualified XII (0.95) | 170,653.933 | 9.62 | 1,641,691 |
| Qualified XII (1.00) | 926,855.777 | 9.60 | 8,897,815 |
| Qualified XII (1.05) | 7,059.209 | 9.59 | 67,698 |
| Qualified XII (1.10) | 24,577.770 | 9.57 | 235,209 |
| Qualified XII (1.15) | 37,422.172 | 9.56 | 357,756 |
| Qualified XII (1.20) | 3,427.450 | 9.54 | 32,698 |
| Qualified XII (1.25) | 42,044.967 | 9.52 | 400,268 |
| Qualified XII (1.30) | 109.531 | 9.51 | 1,042 |
| Qualified XII (1.40) | 6,122.028 | 9.48 | 58,037 |
| Qualified XII (1.45) | 1,525.934 | 9.46 | 14,435 |
| Qualified XV | 2,579.359 | 9.62 | 24,813 |
| Qualified XVI | 13,986.400 | 9.44 | 132,032 |
| Qualified XVII | 1,552.999 | 9.52 | 14,785 |
| Qualified XVIII | 2,606.629 | 9.93 | 25,884 |
| Qualified XXI | 4,945.165 | 9.67 | 47,820 |
| Qualified XXVII | 1,120,728.592 | 9.60 | 10,758,994 |
| Qualified XXVIII | 195,580.298 | 9.62 | 1,881,482 |
| Qualified XXXII | 1,183.330 | 9.54 | 11,289 |
| Qualified XXXIV | 9,075.607 | 9.66 | 87,670 |
| Qualified XXXVIII | 3,373.986 | 9.93 | 33,504 |
| Qualified XLIII | 244.536 | 9.69 | 2,370 |
| Qualified LIV | 9,543.651 | 9.67 | 92,287 |
| Qualified LVI | 10,583.503 | 9.85 | 104,248 |
| | <u>5,765,483.955</u> | | <u>\$ 55,561,592</u> |
| ING Clarion Real Estate Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 1,798.123 | \$ 9.80 | \$ 17,622 |
| ING Clarion Real Estate Portfolio - Institutional Class | | | |
| Currently payable annuity contracts: | 187,986.922 | \$10.84 to \$11.48 | \$ 2,156,832 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|--------------|-------------------|-----------------------|
| ING Clarion Real Estate Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 4,537.533 | \$ 11.13 | \$ 50,503 |
| ING Custom Choice 65 | 3,164.023 | 11.69 | 36,987 |
| ING MAP PLUS NP1 | 83,651.717 | 11.90 | 995,455 |
| ING MAP PLUS NP3 | 624.177 | 11.83 | 7,384 |
| ING MAP PLUS NP4 | 8,311.419 | 11.80 | 98,075 |
| ING MAP PLUS NP8 | 11,909.893 | 11.66 | 138,869 |
| ING MAP PLUS NP9 | 17,429.709 | 11.63 | 202,708 |
| ING MAP PLUS NP10 | 97.120 | 11.60 | 1,127 |
| ING MAP PLUS NP11 | 12,507.607 | 11.56 | 144,588 |
| ING MAP PLUS NP12 | 14,902.619 | 11.53 | 171,827 |
| ING MAP PLUS NP13 | 75.984 | 11.50 | 874 |
| ING MAP PLUS NP14 | 2,858.433 | 11.47 | 32,786 |
| ING MAP PLUS NP15 | 13,147.055 | 11.43 | 150,271 |
| ING MAP PLUS NP16 | 2,830.952 | 11.40 | 32,273 |
| ING MAP PLUS NP17 | 8,608.160 | 11.37 | 97,875 |
| ING MAP PLUS NP18 | 3,805.255 | 11.34 | 43,152 |
| ING MAP PLUS NP19 | 9,922.873 | 11.30 | 112,128 |
| ING MAP PLUS NP21 | 1,153.143 | 11.24 | 12,961 |
| ING MAP PLUS NP23 | 914.609 | 11.18 | 10,225 |
| ING MAP PLUS NP24 | 1,294.086 | 11.14 | 14,416 |
| ING MAP PLUS NP25 | 9,002.472 | 11.11 | 100,017 |
| ING MAP PLUS NP26 | 0.681 | 11.08 | 8 |
| ING MAP PLUS NP28 | 1,356.037 | 11.02 | 14,944 |
| ING MAP PLUS NP30 | 367.564 | 10.96 | 4,029 |
| Qualified V | 6.794 | 11.03 | 75 |
| Qualified VI | 892,936.832 | 11.13 | 9,938,387 |
| Qualified XII (0.00) | 776.384 | 11.95 | 9,278 |
| Qualified XII (0.25) | 1,517.783 | 11.78 | 17,879 |
| Qualified XII (0.30) | 25,119.321 | 11.74 | 294,901 |
| Qualified XII (0.40) | 158,681.517 | 11.68 | 1,853,400 |
| Qualified XII (0.50) | 964,528.788 | 11.61 | 11,198,179 |
| Qualified XII (0.55) | 37,547.626 | 11.58 | 434,802 |
| Qualified XII (0.60) | 9,840.456 | 11.55 | 113,657 |
| Qualified XII (0.65) | 68,245.346 | 11.51 | 785,504 |
| Qualified XII (0.70) | 31,572.484 | 11.48 | 362,452 |
| Qualified XII (0.75) | 179,483.016 | 11.45 | 2,055,081 |
| Qualified XII (0.80) | 113,029.242 | 11.41 | 1,289,664 |
| Qualified XII (0.85) | 345,316.529 | 11.38 | 3,929,702 |
| Qualified XII (0.90) | 2,321.613 | 11.35 | 26,350 |
| Qualified XII (0.95) | 180,241.212 | 11.32 | 2,040,331 |
| Qualified XII (1.00) | 733,224.931 | 11.29 | 8,278,109 |
| Qualified XII (1.05) | 9,556.647 | 11.25 | 107,512 |
| Qualified XII (1.10) | 16,741.906 | 11.22 | 187,844 |
| Qualified XII (1.15) | 17,146.453 | 11.19 | 191,869 |
| Qualified XII (1.20) | 9,723.781 | 11.16 | 108,517 |
| Qualified XII (1.25) | 70,154.688 | 11.13 | 780,822 |
| Qualified XII (1.30) | 1,567.925 | 11.09 | 17,388 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---|----------------------|-------------------|-----------------------|
| ING Clarion Real Estate Portfolio - Service Class | | | |
| (continued) | | | |
| Qualified XII (1.40) | 1,379.579 | \$ 11.03 | \$ 15,217 |
| Qualified XII (1.45) | 12.747 | 11.00 | 140 |
| Qualified XII (1.50) | 5.923 | 10.97 | 65 |
| Qualified XV | 3,597.088 | 11.32 | 40,719 |
| Qualified XVI | 20,515.304 | 10.97 | 225,053 |
| Qualified XXI | 22,630.804 | 11.41 | 258,217 |
| Qualified XXXIII (0.65) | 22,568.964 | 11.51 | 259,769 |
| Qualified XXXIV | 362.225 | 9.91 | 3,590 |
| Qualified XXXVIII | 15,602.663 | 10.18 | 158,835 |
| Qualified XLIII | 127.919 | 9.93 | 1,270 |
| Qualified LIV | 21,132.526 | 11.47 | 242,390 |
| Qualified LVI | 26,232.154 | 11.79 | 309,277 |
| | <u>4,215,922.291</u> | | <u>\$ 48,009,727</u> |
| ING FMRSM Diversified Mid Cap Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 1,438.248 | \$ 13.61 | \$ 19,575 |
| ING Custom Choice 65 | 572.201 | 14.46 | 8,274 |
| ING MAP PLUS NP1 | 61,693.074 | 14.72 | 908,122 |
| ING MAP PLUS NP3 | 626.672 | 14.62 | 9,162 |
| ING MAP PLUS NP4 | 14,036.232 | 14.57 | 204,508 |
| ING MAP PLUS NP5 | 33.477 | 14.52 | 486 |
| ING MAP PLUS NP6 | 22,911.443 | 14.48 | 331,758 |
| ING MAP PLUS NP8 | 13,591.458 | 14.38 | 195,445 |
| ING MAP PLUS NP9 | 33,933.707 | 14.33 | 486,270 |
| ING MAP PLUS NP10 | 5,079.674 | 14.28 | 72,538 |
| ING MAP PLUS NP11 | 20,561.588 | 14.24 | 292,797 |
| ING MAP PLUS NP12 | 15,562.237 | 14.19 | 220,828 |
| ING MAP PLUS NP13 | 2,222.902 | 14.14 | 31,432 |
| ING MAP PLUS NP14 | 2,928.713 | 14.09 | 41,266 |
| ING MAP PLUS NP15 | 21,564.591 | 14.05 | 302,983 |
| ING MAP PLUS NP16 | 3,543.046 | 14.00 | 49,603 |
| ING MAP PLUS NP17 | 11,659.466 | 13.95 | 162,650 |
| ING MAP PLUS NP18 | 6,209.887 | 13.91 | 86,380 |
| ING MAP PLUS NP19 | 8,340.520 | 13.86 | 115,600 |
| ING MAP PLUS NP20 | 2,975.741 | 13.81 | 41,095 |
| ING MAP PLUS NP21 | 8,710.057 | 13.77 | 119,937 |
| ING MAP PLUS NP22 | 4,849.901 | 13.72 | 66,541 |
| ING MAP PLUS NP23 | 3,960.308 | 13.68 | 54,177 |
| ING MAP PLUS NP24 | 480.072 | 13.63 | 6,543 |
| ING MAP PLUS NP25 | 3,752.630 | 13.58 | 50,961 |
| ING MAP PLUS NP26 | 3,892.593 | 13.54 | 52,706 |
| ING MAP PLUS NP27 | 320.958 | 13.49 | 4,330 |
| ING MAP PLUS NP28 | 780.575 | 13.45 | 10,499 |
| ING MAP PLUS NP29 | 1,432.984 | 13.40 | 19,202 |
| ING MAP PLUS NP30 | 265.042 | 13.36 | 3,541 |
| ING MAP PLUS NP32 | 164.994 | 13.27 | 2,189 |
| Qualified VI | 867,464.472 | 13.61 | 11,806,191 |
| Qualified VIII | 731.012 | 13.60 | 9,942 |

**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 (0.00) | 11,970.554 | \$ 14.79 | \$ 177,044 |
| Qualified XII (0.10) | 31.625 | 14.69 | 465 |
| Qualified XII (0.20) | 13,349.844 | 14.59 | 194,774 |
| Qualified XII (0.25) | 616.455 | 14.55 | 8,969 |
| Qualified XII (0.30) | 11,856.049 | 14.50 | 171,913 |
| Qualified XII (0.40) | 76,188.235 | 14.40 | 1,097,111 |
| Qualified XII (0.50) | 1,201,032.098 | 14.31 | 17,186,769 |
| Qualified XII (0.55) | 26,696.286 | 14.26 | 380,689 |
| Qualified XII (0.60) | 14,477.944 | 14.21 | 205,732 |
| Qualified XII (0.65) | 55,982.590 | 14.16 | 792,713 |
| Qualified XII (0.70) | 31,208.032 | 14.12 | 440,657 |
| Qualified XII (0.75) | 216,067.919 | 14.07 | 3,040,076 |
| Qualified XII (0.80) | 28,039.656 | 14.02 | 393,116 |
| Qualified XII (0.85) | 186,163.595 | 13.97 | 2,600,705 |
| Qualified XII (0.90) | 990.952 | 13.93 | 13,804 |
| Qualified XII (0.95) | 138,895.108 | 13.88 | 1,927,864 |
| Qualified XII (1.00) | 1,019,342.831 | 13.84 | 14,107,705 |
| Qualified XII (1.05) | 4,479.835 | 13.79 | 61,777 |
| Qualified XII (1.10) | 10,018.281 | 13.74 | 137,651 |
| Qualified XII (1.15) | 25,163.303 | 13.70 | 344,737 |
| Qualified XII (1.20) | 2,974.763 | 13.65 | 40,606 |
| Qualified XII (1.25) | 62,160.849 | 13.61 | 846,009 |
| Qualified XII (1.30) | 857.339 | 13.56 | 11,626 |
| Qualified XII (1.40) | 560.926 | 13.47 | 7,556 |
| Qualified XII (1.45) | 319.645 | 13.43 | 4,293 |
| Qualified XII (1.50) | 516.116 | 13.38 | 6,906 |
| Qualified XV | 833.388 | 13.88 | 11,567 |
| Qualified XVI | 18,695.999 | 13.38 | 250,152 |
| Qualified XXI | 204,021.123 | 14.02 | 2,860,376 |
| Qualified XXXIV | 511.508 | 9.19 | 4,701 |
| Qualified XXXVIII | 252.192 | 9.45 | 2,383 |
| Qualified XLIII | 881.059 | 9.21 | 8,115 |
| Qualified LIV | 62,673.672 | 14.19 | 889,339 |
| Qualified LVI | 5,715.357 | 14.58 | 83,330 |
| | <u>4,579,835.603</u> | | <u>\$ 64,098,761</u> |
| ING FMRSM Diversified Mid Cap Portfolio - Service 2 Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 1,398.660 | \$ 8.52 | \$ 11,917 |
| ING Global Resources Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 245.921 | \$ 8.76 | \$ 2,154 |
| ING Global Resources Portfolio - Institutional Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XII (0.20) | 2,427.315 | \$ 12.51 | \$ 30,366 |

**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 | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 17,495.651 | \$ 11.48 | \$ 200,850 |
| ING Custom Choice 65 | 52,259.803 | 11.99 | 626,595 |
| ING MAP PLUS NP6 | 7,876.601 | 13.59 | 107,043 |
| ING MAP PLUS NP11 | 222.921 | 13.50 | 3,009 |
| ING MAP PLUS NP14 | 202.935 | 13.44 | 2,727 |
| ING MAP PLUS NP15 | 2,137.380 | 13.43 | 28,705 |
| ING MAP PLUS NP16 | 3,779.200 | 13.41 | 50,679 |
| ING MAP PLUS NP17 | 151.114 | 13.39 | 2,023 |
| ING MAP PLUS NP18 | 46.462 | 13.37 | 621 |
| ING MAP PLUS NP21 | 764.818 | 13.32 | 10,187 |
| ING MAP PLUS NP23 | 4,267.175 | 13.28 | 56,668 |
| ING MAP PLUS NP25 | 14.141 | 13.25 | 187 |
| ING MAP PLUS NP26 | 1,314.825 | 13.23 | 17,395 |
| Qualified V | 6.164 | 11.39 | 70 |
| Qualified VI | 2,701,838.192 | 11.48 | 31,017,102 |
| Qualified VIII | 737.131 | 11.47 | 8,455 |
| Qualified XII (0.05) | 67,134.029 | 12.24 | 821,721 |
| Qualified XII (0.10) | 95.837 | 12.18 | 1,167 |
| Qualified XII (0.20) | 47,676.205 | 12.12 | 577,836 |
| Qualified XII (0.25) | 7,421.357 | 12.09 | 89,724 |
| Qualified XII (0.30) | 57,962.134 | 12.05 | 698,444 |
| Qualified XII (0.35) | 1,176.430 | 12.02 | 14,141 |
| Qualified XII (0.40) | 360,590.666 | 11.99 | 4,323,482 |
| Qualified XII (0.50) | 63,883.343 | 11.93 | 762,128 |
| Qualified XII (0.55) | 92,009.631 | 11.90 | 1,094,915 |
| Qualified XII (0.60) | 38,056.471 | 11.87 | 451,730 |
| Qualified XII (0.65) | 235,244.638 | 11.84 | 2,785,297 |
| Qualified XII (0.70) | 107,397.032 | 11.81 | 1,268,359 |
| Qualified XII (0.75) | 300,929.166 | 11.78 | 3,544,946 |
| Qualified XII (0.80) | 401,966.060 | 11.75 | 4,723,101 |
| Qualified XII (0.85) | 656,357.350 | 11.72 | 7,692,508 |
| Qualified XII (0.90) | 18,658.925 | 11.69 | 218,123 |
| Qualified XII (0.95) | 453,273.808 | 11.66 | 5,285,173 |
| Qualified XII (1.00) | 1,233,632.187 | 11.63 | 14,347,142 |
| Qualified XII (1.05) | 54,734.784 | 11.60 | 634,923 |
| Qualified XII (1.10) | 64,176.956 | 11.57 | 742,527 |
| Qualified XII (1.15) | 96,368.356 | 11.54 | 1,112,091 |
| Qualified XII (1.20) | 10,760.901 | 11.51 | 123,858 |
| Qualified XII (1.25) | 141,308.839 | 11.48 | 1,622,225 |
| Qualified XII (1.30) | 824.077 | 11.45 | 9,436 |
| Qualified XII (1.35) | 969.656 | 11.42 | 11,073 |
| Qualified XII (1.40) | 10,243.152 | 11.39 | 116,670 |
| Qualified XII (1.45) | 290.857 | 11.36 | 3,304 |
| Qualified XII (1.50) | 774.615 | 11.33 | 8,776 |
| Qualified XIII | 1,295.340 | 11.66 | 15,104 |
| Qualified XV | 30,848.753 | 11.66 | 359,696 |
| Qualified XVI | 63,168.545 | 11.33 | 715,700 |

**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 Global Resources Portfolio - Service Class (continued) | | | |
| Qualified XVII | 2,942.492 | \$ 11.49 | \$ 33,809 |
| Qualified XXI | 61,706.175 | 11.75 | 725,048 |
| Qualified XXVII | 1,825,627.732 | 11.70 | 21,359,844 |
| Qualified XXVIII | 1,004,798.747 | 11.71 | 11,766,193 |
| Qualified XXXIV | 3,697.640 | 8.89 | 32,872 |
| Qualified XXXVI | 15,348.224 | 11.90 | 182,644 |
| Qualified XXXVIII | 25,343.352 | 9.14 | 231,638 |
| Qualified XLIII | 9,052.864 | 8.91 | 80,661 |
| Qualified LIV | 26,224.901 | 11.77 | 308,667 |
| Qualified LVI | 104,429.574 | 12.11 | 1,264,642 |
| | <u>10,491,516.314</u> | | <u>\$ 122,293,654</u> |
| ING Invesco Van Kampen Growth and Income Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 1,410.602 | \$ 11.27 | \$ 15,897 |
| ING Custom Choice 65 | 1,207.598 | 11.98 | 14,467 |
| ING MAP PLUS NP14 | 10,284.687 | 11.20 | 115,188 |
| Qualified VI | 431,992.651 | 11.27 | 4,868,557 |
| Qualified XII (0.00) | 80,383.202 | 12.25 | 984,694 |
| Qualified XII (0.20) | 1,436.900 | 12.09 | 17,372 |
| Qualified XII (0.25) | 591.249 | 12.05 | 7,125 |
| Qualified XII (0.30) | 5,053.733 | 12.01 | 60,695 |
| Qualified XII (0.35) | 188.084 | 11.97 | 2,251 |
| Qualified XII (0.40) | 17,870.361 | 11.93 | 213,193 |
| Qualified XII (0.50) | 364,092.243 | 11.85 | 4,314,493 |
| Qualified XII (0.55) | 23,827.058 | 11.81 | 281,398 |
| Qualified XII (0.60) | 13,916.824 | 11.77 | 163,801 |
| Qualified XII (0.65) | 66,793.543 | 11.73 | 783,488 |
| Qualified XII (0.70) | 18,009.084 | 11.69 | 210,526 |
| Qualified XII (0.75) | 90,258.925 | 11.65 | 1,051,516 |
| Qualified XII (0.80) | 22,619.097 | 11.62 | 262,834 |
| Qualified XII (0.85) | 70,194.603 | 11.58 | 812,854 |
| Qualified XII (0.90) | 1,053.441 | 11.54 | 12,157 |
| Qualified XII (0.95) | 99,287.598 | 11.50 | 1,141,807 |
| Qualified XII (1.00) | 279,345.017 | 11.46 | 3,201,294 |
| Qualified XII (1.05) | 7,647.440 | 11.42 | 87,334 |
| Qualified XII (1.10) | 8,393.338 | 11.38 | 95,516 |
| Qualified XII (1.15) | 18,508.336 | 11.35 | 210,070 |
| Qualified XII (1.20) | 4,179.574 | 11.31 | 47,271 |
| Qualified XII (1.25) | 34,068.111 | 11.27 | 383,948 |
| Qualified XII (1.30) | 154.046 | 11.23 | 1,730 |
| Qualified XII (1.35) | 51.641 | 11.20 | 578 |
| Qualified XII (1.40) | 1,388.106 | 11.16 | 15,491 |
| Qualified XII (1.50) | 281.769 | 11.08 | 3,122 |
| Qualified XV | 578.700 | 11.50 | 6,655 |
| Qualified XVI | 10,983.147 | 11.08 | 121,693 |
| Qualified XXI | 3,552.817 | 11.62 | 41,284 |
| Qualified XXXIV | 21.329 | 8.75 | 187 |
| Qualified XXXVIII | 3,879.575 | 8.99 | 34,877 |

**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 Invesco Van Kampen Growth and Income Portfolio - Service Class (continued) | | | |
| Qualified XLIII | 4,687.741 | \$ 8.77 | \$ 41,111 |
| Qualified LIV | 18,462.498 | 11.75 | 216,934 |
| Qualified LVI | 4,752.792 | 12.08 | 57,414 |
| | <u>1,721,407.460</u> | | <u>\$ 19,900,822</u> |
| ING JPMorgan Emerging Markets Equity Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 17,744.048 | \$ 16.12 | \$ 286,034 |
| ING JPMorgan Emerging Markets Equity Portfolio - Institutional Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXVII | 858,659.314 | \$ 16.84 | \$ 14,459,823 |
| Qualified XXVIII | 856,133.573 | 16.87 | 14,442,973 |
| | <u>1,714,792.887</u> | | <u>\$ 28,902,796</u> |
| ING JPMorgan Emerging Markets Equity Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 474.908 | \$ 19.22 | \$ 9,128 |
| ING Custom Choice 65 | 4,139.472 | 20.42 | 84,528 |
| ING MAP PLUS NP1 | 48,259.656 | 13.07 | 630,754 |
| ING MAP PLUS NP6 | 17.959 | 12.88 | 231 |
| ING MAP PLUS NP8 | 3,510.664 | 12.81 | 44,972 |
| ING MAP PLUS NP9 | 23,000.379 | 12.78 | 293,945 |
| ING MAP PLUS NP10 | 1,893.490 | 12.74 | 24,123 |
| ING MAP PLUS NP12 | 6,043.538 | 12.67 | 76,572 |
| ING MAP PLUS NP13 | 13.529 | 12.63 | 171 |
| ING MAP PLUS NP15 | 718.099 | 12.56 | 9,019 |
| ING MAP PLUS NP17 | 1,085.950 | 12.49 | 13,564 |
| ING MAP PLUS NP18 | 19.031 | 12.45 | 237 |
| ING MAP PLUS NP19 | 2,122.866 | 12.42 | 26,366 |
| ING MAP PLUS NP23 | 12,334.700 | 12.28 | 151,470 |
| ING MAP PLUS NP24 | 84.422 | 12.24 | 1,033 |
| ING MAP PLUS NP25 | 6,888.025 | 12.21 | 84,103 |
| ING MAP PLUS NP26 | 3,527.873 | 12.17 | 42,934 |
| ING MAP PLUS NP28 | 982.076 | 12.10 | 11,883 |
| ING MAP PLUS NP29 | 58.580 | 12.07 | 707 |
| Qualified VI | 524,658.243 | 19.22 | 10,083,931 |
| Qualified VIII | 46.765 | 19.21 | 898 |
| Qualified XII (0.10) | 69.191 | 20.76 | 1,436 |
| Qualified XII (0.25) | 1,155.970 | 20.55 | 23,755 |
| Qualified XII (0.30) | 6,795.723 | 20.48 | 139,176 |
| Qualified XII (0.40) | 16,803.449 | 20.34 | 341,782 |
| Qualified XII (0.50) | 11,048.508 | 20.21 | 223,290 |
| Qualified XII (0.55) | 19,438.056 | 20.14 | 391,482 |
| Qualified XII (0.60) | 6,158.658 | 20.07 | 123,604 |
| Qualified XII (0.65) | 45,096.687 | 20.01 | 902,385 |
| Qualified XII (0.70) | 18,095.564 | 19.94 | 360,826 |
| Qualified XII (0.75) | 12,572.815 | 19.87 | 249,822 |

**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 (0.80) | 28,118.239 | \$ 19.81 | \$ 557,022 |
| Qualified XII (0.85) | 87,365.255 | 19.74 | 1,724,590 |
| Qualified XII (0.90) | 6,290.482 | 19.68 | 123,797 |
| Qualified XII (0.95) | 88,188.074 | 19.61 | 1,729,368 |
| Qualified XII (1.00) | 159,497.547 | 19.55 | 3,118,177 |
| Qualified XII (1.05) | 7,371.602 | 19.48 | 143,599 |
| Qualified XII (1.10) | 17,635.366 | 19.41 | 342,302 |
| Qualified XII (1.15) | 12,805.267 | 19.35 | 247,782 |
| Qualified XII (1.20) | 2,364.923 | 19.29 | 45,619 |
| Qualified XII (1.25) | 34,443.815 | 19.22 | 662,010 |
| Qualified XII (1.30) | 115.247 | 19.16 | 2,208 |
| Qualified XII (1.35) | 496.558 | 19.09 | 9,479 |
| Qualified XII (1.40) | 1,717.439 | 19.03 | 32,683 |
| Qualified XII (1.45) | 884.996 | 18.97 | 16,788 |
| Qualified XII (1.50) | 230.544 | 18.90 | 4,357 |
| Qualified XIII | 2,918.174 | 19.61 | 57,225 |
| Qualified XV | 2,830.864 | 19.61 | 55,513 |
| Qualified XVI | 12,896.016 | 18.90 | 243,735 |
| Qualified XVII | 536.716 | 19.22 | 10,316 |
| Qualified XXXIV | 2,644.795 | 8.05 | 21,291 |
| Qualified XXXVIII | 2,059.752 | 8.28 | 17,055 |
| Qualified XLIII | 2,013.540 | 8.07 | 16,249 |
| Qualified LIV | 4,237.236 | 20.04 | 84,914 |
| Qualified LVI | 13,647.881 | 20.60 | 281,146 |
| | <u>1,268,425.174</u> | | <u>\$ 23,895,352</u> |
| ING JPMorgan Small Cap Core Equity Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 974.609 | \$ 9.08 | \$ 8,849 |
| ING JPMorgan Small Cap Core Equity Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 134.980 | \$ 13.40 | \$ 1,809 |
| ING Custom Choice 65 | 746.142 | 14.24 | 10,625 |
| ING MAP PLUS NP8 | 272.440 | 13.02 | 3,547 |
| ING MAP PLUS NP14 | 12,628.391 | 12.95 | 163,538 |
| ING MAP PLUS NP15 | 496.662 | 12.94 | 6,427 |
| ING MAP PLUS NP24 | 1,704.067 | 12.82 | 21,846 |
| Qualified VI | 111,248.374 | 13.40 | 1,490,728 |
| Qualified XII (0.00) | 24,333.520 | 14.57 | 354,539 |
| Qualified XII (0.30) | 2,182.631 | 14.28 | 31,168 |
| Qualified XII (0.35) | 2,730.164 | 14.23 | 38,850 |
| Qualified XII (0.40) | 4,300.319 | 14.18 | 60,979 |
| Qualified XII (0.50) | 246,549.985 | 14.09 | 3,473,889 |
| Qualified XII (0.55) | 1,772.896 | 14.04 | 24,891 |
| Qualified XII (0.60) | 3,929.729 | 13.99 | 54,977 |
| Qualified XII (0.65) | 21,857.848 | 13.95 | 304,917 |
| Qualified XII (0.70) | 2,062.725 | 13.90 | 28,672 |
| Qualified XII (0.75) | 14,260.312 | 13.85 | 197,505 |

**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 (0.80) | 14,433.156 | \$ 13.81 | \$ 199,322 |
| Qualified XII (0.85) | 24,632.917 | 13.76 | 338,949 |
| Qualified XII (0.90) | 448.050 | 13.72 | 6,147 |
| Qualified XII (0.95) | 49,291.170 | 13.67 | 673,810 |
| Qualified XII (1.00) | 51,309.444 | 13.62 | 698,835 |
| Qualified XII (1.05) | 1,889.694 | 13.58 | 25,662 |
| Qualified XII (1.10) | 2,633.713 | 13.53 | 35,634 |
| Qualified XII (1.15) | 3,436.185 | 13.49 | 46,354 |
| Qualified XII (1.20) | 837.155 | 13.44 | 11,251 |
| Qualified XII (1.25) | 11,505.505 | 13.40 | 154,174 |
| Qualified XII (1.40) | 2,369.207 | 13.26 | 31,416 |
| Qualified XII (1.45) | 344.623 | 13.22 | 4,556 |
| Qualified XII (1.50) | 126.803 | 13.18 | 1,671 |
| Qualified XV | 375.824 | 13.67 | 5,138 |
| Qualified XVI | 7,043.665 | 13.18 | 92,836 |
| Qualified XXXIV | 6.876 | 10.18 | 70 |
| Qualified XXXVIII | 1,662.300 | 10.46 | 17,388 |
| Qualified LIV | 5,197.800 | 13.97 | 72,613 |
| Qualified LVI | 2,037.109 | 14.36 | 29,253 |
| | <u>630,792.381</u> | | <u>\$ 8,713,986</u> |
| ING Large Cap Growth Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 10,968.144 | \$ 10.33 | \$ 113,301 |
| ING Large Cap Growth Portfolio - Institutional Class | | | |
| Currently payable annuity contracts: | 14,003.330 | \$13.79 to \$14.05 | \$ 195,141 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 65 | 28,845.862 | 10.40 | 299,997 |
| Qualified V | 5,222.461 | 10.28 | 53,687 |
| Qualified VI | 3,976,861.409 | 10.30 | 40,961,673 |
| Qualified VIII | 6,401.416 | 10.29 | 65,871 |
| Qualified X (1.15) | 441,264.704 | 10.31 | 4,549,439 |
| Qualified X (1.25) | 115,822.110 | 10.30 | 1,192,968 |
| Qualified XII (0.00) | 3,845.338 | 10.44 | 40,145 |
| Qualified XII (0.05) | 90,491.399 | 10.44 | 944,730 |
| Qualified XII (0.10) | 53.238 | 10.43 | 555 |
| Qualified XII (0.20) | 33,036.105 | 10.42 | 344,236 |
| Qualified XII (0.25) | 30,625.522 | 10.41 | 318,812 |
| Qualified XII (0.30) | 37,968.089 | 10.41 | 395,248 |
| Qualified XII (0.35) | 12,553.826 | 10.40 | 130,560 |
| Qualified XII (0.40) | 49,971.700 | 10.40 | 519,706 |
| Qualified XII (0.45) | 824.328 | 10.39 | 8,565 |
| Qualified XII (0.50) | 1,529,431.381 | 10.38 | 15,875,498 |
| Qualified XII (0.55) | 125,826.270 | 10.38 | 1,306,077 |
| Qualified XII (0.60) | 56,289.800 | 10.37 | 583,725 |
| Qualified XII (0.65) | 337,470.243 | 10.37 | 3,499,566 |
| Qualified XII (0.70) | 230,257.844 | 10.36 | 2,385,471 |
| Qualified XII (0.75) | 254,191.433 | 10.35 | 2,630,881 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---|-----------------------|-------------------|-----------------------|
| ING Large Cap Growth Portfolio - Institutional Class | | | |
| (continued) | | | |
| Qualified XII (0.80) | 384,591.548 | \$ 10.35 | \$ 3,980,523 |
| Qualified XII (0.85) | 520,953.330 | 10.34 | 5,386,657 |
| Qualified XII (0.90) | 22,839.974 | 10.34 | 236,165 |
| Qualified XII (0.95) | 384,154.832 | 10.33 | 3,968,319 |
| Qualified XII (1.00) | 1,277,826.484 | 10.32 | 13,187,169 |
| Qualified XII (1.05) | 83,791.418 | 10.32 | 864,727 |
| Qualified XII (1.10) | 97,382.047 | 10.31 | 1,004,009 |
| Qualified XII (1.15) | 69,383.116 | 10.31 | 715,340 |
| Qualified XII (1.20) | 13,039.775 | 10.30 | 134,310 |
| Qualified XII (1.25) | 36,333.878 | 10.30 | 374,239 |
| Qualified XII (1.30) | 2,910.847 | 10.29 | 29,953 |
| Qualified XII (1.40) | 20,962.494 | 10.28 | 215,494 |
| Qualified XII (1.45) | 3,324.682 | 10.27 | 34,144 |
| Qualified XII (1.50) | 5,341.778 | 10.27 | 54,860 |
| Qualified XV | 12,765.971 | 10.33 | 131,872 |
| Qualified XVI | 89,290.244 | 10.27 | 917,011 |
| Qualified XVII | 3,060.828 | 10.30 | 31,527 |
| Qualified XVIII | 8,362.400 | 10.32 | 86,300 |
| Qualified XXVII | 1,811,358.761 | 10.32 | 18,693,222 |
| Qualified XXVIII | 314,094.624 | 10.33 | 3,244,597 |
| Qualified XXXII | 9,570.574 | 10.30 | 98,577 |
| Qualified XXXIV | 13,502.672 | 10.34 | 139,618 |
| Qualified XXXVI | 36,937.048 | 10.38 | 383,407 |
| Qualified XXXVIII | 82,588.362 | 10.44 | 862,222 |
| Qualified XLIII | 3,480.802 | 10.35 | 36,026 |
| Qualified LIV | 53,567.773 | 10.35 | 554,426 |
| Qualified LVI | 129,356.196 | 10.41 | 1,346,598 |
| Qualified LIX | 1,033.175 | 10.38 | 10,724 |
| | <u>12,873,063.441</u> | | <u>\$ 133,024,587</u> |
| ING Large Cap Growth Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 4,142.898 | \$ 10.41 | \$ 43,128 |
| ING MAP PLUS NP8 | 763.824 | 10.37 | 7,921 |
| ING MAP PLUS NP13 | 144.228 | 10.34 | 1,491 |
| ING MAP PLUS NP14 | 12,441.896 | 10.34 | 128,649 |
| ING MAP PLUS NP17 | 6,150.595 | 10.32 | 63,474 |
| Qualified XII (0.50) | 11.714 | 15.22 | 178 |
| Qualified XII (0.95) | 435.701 | 11.79 | 5,137 |
| Qualified XII (1.00) | 1,230.486 | 11.78 | 14,495 |
| Qualified XII (1.25) | 2.100 | 11.73 | 25 |
| Qualified XII (1.40) | 92.045 | 11.71 | 1,078 |
| | <u>25,415.487</u> | | <u>\$ 265,576</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|---------------|-------------------|-----------------------|
| ING Large Cap Value Portfolio - Institutional Class | | | |
| Currently payable annuity contracts: | 341,028.163 | \$8.14 to \$8.6 | \$ 2,927,406 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 13,418.638 | 8.43 | 113,119 |
| ING Custom Choice 65 | 12,942.147 | 8.86 | 114,667 |
| ING MAP PLUS NP1 | 123,862.102 | 8.93 | 1,106,089 |
| ING MAP PLUS NP4 | 289.990 | 8.85 | 2,566 |
| ING MAP PLUS NP6 | 20,706.509 | 8.80 | 182,217 |
| ING MAP PLUS NP8 | 76,674.199 | 8.75 | 670,899 |
| ING MAP PLUS NP9 | 7,367.809 | 8.73 | 64,321 |
| ING MAP PLUS NP10 | 9,388.754 | 8.70 | 81,682 |
| ING MAP PLUS NP11 | 6,900.957 | 8.68 | 59,900 |
| ING MAP PLUS NP12 | 521.106 | 8.66 | 4,513 |
| ING MAP PLUS NP13 | 6,803.017 | 8.63 | 58,710 |
| ING MAP PLUS NP14 | 35,455.344 | 8.61 | 305,271 |
| ING MAP PLUS NP15 | 38,391.139 | 8.58 | 329,396 |
| ING MAP PLUS NP16 | 3,100.842 | 8.56 | 26,543 |
| ING MAP PLUS NP17 | 13,730.726 | 8.53 | 117,123 |
| ING MAP PLUS NP18 | 3,511.026 | 8.51 | 29,879 |
| ING MAP PLUS NP19 | 3,944.915 | 8.48 | 33,453 |
| ING MAP PLUS NP20 | 2,655.167 | 8.46 | 22,463 |
| ING MAP PLUS NP21 | 7,507.409 | 8.44 | 63,363 |
| ING MAP PLUS NP22 | 4,425.847 | 8.41 | 37,221 |
| ING MAP PLUS NP23 | 6,558.909 | 8.39 | 55,029 |
| ING MAP PLUS NP24 | 989.946 | 8.37 | 8,286 |
| ING MAP PLUS NP25 | 9,602.299 | 8.34 | 80,083 |
| ING MAP PLUS NP26 | 708.523 | 8.32 | 5,895 |
| ING MAP PLUS NP28 | 6,910.356 | 8.27 | 57,149 |
| ING MAP PLUS NP30 | 788.613 | 8.22 | 6,482 |
| ING MAP PLUS NP32 | 2,640.797 | 8.18 | 21,602 |
| Qualified V | 260.390 | 8.36 | 2,177 |
| Qualified VI | 5,203,881.372 | 8.43 | 43,868,720 |
| Qualified VIII | 2,916.929 | 8.43 | 24,590 |
| Qualified X (1.15) | 206,781.005 | 8.48 | 1,753,503 |
| Qualified X (1.25) | 481,502.848 | 8.43 | 4,059,069 |
| Qualified XII (0.00) | 3,303.449 | 9.05 | 29,896 |
| Qualified XII (0.10) | 160.253 | 9.00 | 1,442 |
| Qualified XII (0.20) | 658,764.675 | 8.95 | 5,895,944 |
| Qualified XII (0.25) | 344,568.161 | 8.92 | 3,073,548 |
| Qualified XII (0.30) | 254,646.308 | 8.90 | 2,266,352 |
| Qualified XII (0.35) | 1,785.060 | 8.87 | 15,833 |
| Qualified XII (0.40) | 504,898.020 | 8.85 | 4,468,347 |
| Qualified XII (0.50) | 1,000,518.066 | 8.80 | 8,804,559 |
| Qualified XII (0.55) | 410,416.154 | 8.77 | 3,599,350 |
| Qualified XII (0.60) | 103,501.393 | 8.75 | 905,637 |
| Qualified XII (0.65) | 1,626,528.482 | 8.72 | 14,183,328 |
| Qualified XII (0.70) | 353,125.951 | 8.70 | 3,072,196 |
| Qualified XII (0.75) | 837,574.710 | 8.67 | 7,261,773 |
| Qualified XII (0.80) | 659,811.261 | 8.65 | 5,707,367 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|-----------------------|-------------------|-----------------------|
| ING Large Cap Value Portfolio - Institutional Class | | | |
| (continued) | | | |
| Qualified XII (0.85) | 1,329,537.358 | \$ 8.63 | \$ 11,473,907 |
| Qualified XII (0.90) | 16,037.964 | 8.60 | 137,926 |
| Qualified XII (0.95) | 1,190,520.500 | 8.58 | 10,214,666 |
| Qualified XII (1.00) | 3,715,930.695 | 8.55 | 31,771,207 |
| Qualified XII (1.05) | 97,384.208 | 8.53 | 830,687 |
| Qualified XII (1.10) | 165,336.499 | 8.50 | 1,405,360 |
| Qualified XII (1.15) | 133,934.538 | 8.48 | 1,135,765 |
| Qualified XII (1.20) | 37,806.422 | 8.46 | 319,842 |
| Qualified XII (1.25) | 334,633.972 | 8.43 | 2,820,964 |
| Qualified XII (1.30) | 19,097.824 | 8.41 | 160,613 |
| Qualified XII (1.35) | 13,277.532 | 8.38 | 111,266 |
| Qualified XII (1.40) | 18,102.029 | 8.36 | 151,333 |
| Qualified XII (1.45) | 2,788.711 | 8.34 | 23,258 |
| Qualified XII (1.50) | 3,487.895 | 8.31 | 28,984 |
| Qualified XIII | 713.294 | 8.58 | 6,120 |
| Qualified XV | 39,635.563 | 8.58 | 340,073 |
| Qualified XVI | 150,959.848 | 8.31 | 1,254,476 |
| Qualified XVII | 829.870 | 8.43 | 6,996 |
| Qualified XVIII | 24,259.250 | 8.55 | 207,417 |
| Qualified XXI | 53,419.609 | 8.65 | 462,080 |
| Qualified XXVII | 3,250,028.616 | 8.55 | 27,787,745 |
| Qualified XXXII | 6,241.535 | 8.43 | 52,616 |
| Qualified XXXIII (0.65) | 159,892.478 | 8.72 | 1,394,262 |
| Qualified XXXIV | 15,605.715 | 9.13 | 142,480 |
| Qualified XXXVIII | 18,949.247 | 9.38 | 177,744 |
| Qualified XLIII | 10,830.901 | 9.15 | 99,103 |
| Qualified LIV | 334,339.417 | 8.70 | 2,908,753 |
| Qualified LVI | 129,244.224 | 8.94 | 1,155,443 |
| Qualified LIX | 17,822.148 | 8.80 | 156,835 |
| | <u>24,706,417.598</u> | | <u>\$ 212,316,879</u> |
| ING Large Cap Value Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP9 | 61,224.332 | \$ 8.71 | \$ 533,264 |
| ING MAP PLUS NP12 | 24,316.461 | 8.64 | 210,094 |
| ING MAP PLUS NP15 | 3,388.231 | 8.56 | 29,003 |
| ING MAP PLUS NP18 | 4,699.276 | 8.49 | 39,897 |
| ING MAP PLUS NP20 | 587.432 | 8.44 | 4,958 |
| ING MAP PLUS NP22 | 289.988 | 8.40 | 2,436 |
| ING MAP PLUS NP29 | 104.401 | 8.23 | 859 |
| ING MAP PLUS NP30 | 85.171 | 8.21 | 699 |
| | <u>94,695.292</u> | | <u>\$ 821,210</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 Marsico Growth Portfolio - Institutional Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 2,104.925 | \$ 9.68 | \$ 20,376 |
| ING Custom Choice 65 | 1,972.203 | 9.99 | 19,702 |
| Qualified VI | 183,673.494 | 9.68 | 1,777,959 |
| Qualified VIII | 1,026.519 | 9.68 | 9,937 |
| Qualified X (1.15) | 6,121.341 | 9.72 | 59,499 |
| Qualified X (1.25) | 33,087.715 | 9.68 | 320,289 |
| Qualified XII (0.00) | 184.566 | 10.14 | 1,871 |
| Qualified XII (0.30) | 7,899.350 | 10.03 | 79,230 |
| Qualified XII (0.40) | 10,284.692 | 9.99 | 102,744 |
| Qualified XII (0.50) | 85,558.341 | 9.96 | 852,161 |
| Qualified XII (0.55) | 1,749.763 | 9.94 | 17,393 |
| Qualified XII (0.60) | 8,155.720 | 9.92 | 80,905 |
| Qualified XII (0.65) | 48,583.398 | 9.90 | 480,976 |
| Qualified XII (0.70) | 17,894.194 | 9.88 | 176,795 |
| Qualified XII (0.75) | 24,599.351 | 9.86 | 242,550 |
| Qualified XII (0.80) | 5,318.257 | 9.85 | 52,385 |
| Qualified XII (0.85) | 35,263.449 | 9.83 | 346,640 |
| Qualified XII (0.90) | 506.171 | 9.81 | 4,966 |
| Qualified XII (0.95) | 24,499.068 | 9.79 | 239,846 |
| Qualified XII (1.00) | 93,603.663 | 9.77 | 914,508 |
| Qualified XII (1.05) | 2,284.339 | 9.75 | 22,272 |
| Qualified XII (1.10) | 7,409.584 | 9.74 | 72,169 |
| Qualified XII (1.15) | 6,656.010 | 9.72 | 64,696 |
| Qualified XII (1.20) | 3,306.698 | 9.70 | 32,075 |
| Qualified XII (1.25) | 18,965.912 | 9.68 | 183,590 |
| Qualified XII (1.30) | 54.733 | 9.66 | 529 |
| Qualified XII (1.40) | 8.314 | 9.63 | 80 |
| Qualified XII (1.45) | 1,344.407 | 9.61 | 12,920 |
| Qualified XV | 2,232.799 | 9.79 | 21,859 |
| Qualified XVI | 6,554.584 | 9.59 | 62,858 |
| Qualified XVIII | 223.363 | 9.68 | 2,162 |
| Qualified XXVII | 250,338.019 | 9.58 | 2,398,238 |
| Qualified XXXII | 333.421 | 9.68 | 3,228 |
| Qualified XXXIV | 1,140.210 | 9.87 | 11,254 |
| Qualified XXXVIII | 3,463.279 | 10.14 | 35,118 |
| Qualified LIV | 1,832.307 | 9.85 | 18,048 |
| Qualified LVI | 5,690.918 | 10.05 | 57,194 |
| | <u>903,925.077</u> | | <u>\$ 8,799,022</u> |

**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 - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP4 | 20,805.478 | \$ 12.28 | \$ 255,491 |
| ING MAP PLUS NP11 | 3.324 | 11.99 | 40 |
| ING MAP PLUS NP12 | 10,737.250 | 11.95 | 128,310 |
| ING MAP PLUS NP14 | 8,176.110 | 11.87 | 97,050 |
| ING MAP PLUS NP15 | 1,082.467 | 11.83 | 12,806 |
| ING MAP PLUS NP21 | 284.520 | 11.60 | 3,300 |
| ING MAP PLUS NP23 | 1,225.591 | 11.52 | 14,119 |
| ING MAP PLUS NP26 | 990.858 | 11.41 | 11,306 |
| ING MAP PLUS NP28 | 3.182 | 11.33 | 36 |
| Qualified XII (0.60) | 569.170 | 11.99 | 6,824 |
| Qualified XII (0.75) | 64.326 | 11.87 | 764 |
| Qualified XII (1.25) | 26.450 | 11.48 | 304 |
| Qualified XXXV | 4,021.565 | 9.91 | 39,854 |
| | <u>47,990.291</u> | | <u>\$ 570,204</u> |
| ING MFS Total Return Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 96,634.744 | \$ 11.59 | \$ 1,119,997 |
| ING MFS Total Return Portfolio - Institutional Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXVII | 2,732,608.541 | \$ 11.03 | \$ 30,140,672 |
| Qualified XXVIII | 2,304,464.293 | 11.05 | 25,464,330 |
| | <u>5,037,072.834</u> | | <u>\$ 55,605,002</u> |
| ING MFS Total Return Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 1,969.184 | \$ 12.51 | \$ 24,634 |
| ING Custom Choice 65 | 481.576 | 12.18 | 5,866 |
| ING MAP PLUS NP1 | 1,005.246 | 13.26 | 13,330 |
| ING MAP PLUS NP4 | 6,934.126 | 13.10 | 90,837 |
| ING MAP PLUS NP8 | 49,368.150 | 12.90 | 636,849 |
| ING MAP PLUS NP9 | 33.309 | 12.85 | 428 |
| ING MAP PLUS NP12 | 40,868.429 | 12.70 | 519,029 |
| ING MAP PLUS NP13 | 3,638.938 | 12.65 | 46,033 |
| ING MAP PLUS NP14 | 903.677 | 12.60 | 11,386 |
| ING MAP PLUS NP15 | 257.429 | 12.55 | 3,231 |
| ING MAP PLUS NP16 | 6.211 | 12.50 | 78 |
| ING MAP PLUS NP17 | 652.061 | 12.45 | 8,118 |
| ING MAP PLUS NP19 | 53.192 | 12.35 | 657 |
| ING MAP PLUS NP22 | 1,457.564 | 12.20 | 17,782 |
| ING MAP PLUS NP23 | 18,852.058 | 12.16 | 229,241 |
| ING MAP PLUS NP26 | 974.660 | 12.01 | 11,706 |
| ING MAP PLUS NP28 | 20.930 | 11.92 | 249 |
| ING MAP PLUS NP32 | 1.465 | 11.73 | 17 |
| Qualified VI | 590,806.139 | 14.48 | 8,554,873 |
| Qualified X (1.15) | 14,325.730 | 12.41 | 177,782 |
| Qualified X (1.25) | 65,800.250 | 12.32 | 810,659 |
| Qualified XII (0.25) | 8,303.892 | 16.06 | 133,361 |

**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 (0.30) | 894.705 | \$ 16.00 | \$ 14,315 |
| Qualified XII (0.40) | 43,435.342 | 15.86 | 688,885 |
| Qualified XII (0.50) | 24,762.697 | 15.71 | 389,022 |
| Qualified XII (0.55) | 2,286.188 | 15.66 | 35,802 |
| Qualified XII (0.60) | 11,327.351 | 15.59 | 176,593 |
| Qualified XII (0.65) | 5,724.238 | 15.53 | 88,897 |
| Qualified XII (0.70) | 25,191.060 | 15.46 | 389,454 |
| Qualified XII (0.75) | 51,631.988 | 15.40 | 795,133 |
| Qualified XII (0.80) | 30,787.452 | 15.30 | 471,048 |
| Qualified XII (0.85) | 123,666.733 | 15.22 | 1,882,208 |
| Qualified XII (0.90) | 6,612.983 | 15.17 | 100,319 |
| Qualified XII (0.95) | 159,424.793 | 15.09 | 2,405,720 |
| Qualified XII (1.00) | 178,985.893 | 15.03 | 2,690,158 |
| Qualified XII (1.05) | 10,267.481 | 14.96 | 153,602 |
| Qualified XII (1.10) | 46,744.700 | 14.90 | 696,496 |
| Qualified XII (1.15) | 25,094.085 | 14.84 | 372,396 |
| Qualified XII (1.20) | 7,138.953 | 14.77 | 105,442 |
| Qualified XII (1.25) | 97,408.065 | 14.71 | 1,432,873 |
| Qualified XII (1.30) | 1,935.358 | 14.65 | 28,353 |
| Qualified XII (1.35) | 579.685 | 14.59 | 8,458 |
| Qualified XII (1.40) | 5,608.758 | 14.52 | 81,439 |
| Qualified XII (1.45) | 2,881.093 | 14.46 | 41,661 |
| Qualified XII (1.50) | 364.738 | 14.40 | 5,252 |
| Qualified XV | 740.515 | 14.26 | 10,560 |
| Qualified XVI | 14,760.333 | 14.16 | 209,006 |
| Qualified XVII | 3,148.297 | 13.89 | 43,730 |
| Qualified XVIII | 1,583.038 | 12.55 | 19,867 |
| Qualified XXXII | 653.631 | 12.32 | 8,053 |
| Qualified XXXIV | 487.572 | 9.76 | 4,759 |
| Qualified XXXVIII | 7,047.867 | 10.03 | 70,690 |
| Qualified XLIII | 1,764.486 | 9.78 | 17,257 |
| Qualified LIV | 4,818.225 | 11.95 | 57,578 |
| Qualified LVI | 7,805.277 | 12.28 | 95,849 |
| | <u>1,712,277.796</u> | | <u>\$ 24,887,021</u> |
| ING MFS Utilities Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 366.910 | \$ 17.64 | \$ 6,472 |
| ING Custom Choice 65 | 2,232.364 | 18.75 | 41,857 |
| Qualified VI | 756,305.652 | 17.64 | 13,341,232 |
| Qualified XII (0.00) | 118.509 | 19.18 | 2,273 |
| Qualified XII (0.10) | 29.597 | 19.05 | 564 |
| Qualified XII (0.20) | 6,850.905 | 18.93 | 129,688 |
| Qualified XII (0.25) | 765.395 | 18.86 | 14,435 |
| Qualified XII (0.30) | 7,460.877 | 18.80 | 140,264 |
| Qualified XII (0.40) | 33,155.909 | 18.67 | 619,021 |
| Qualified XII (0.50) | 350,850.004 | 18.55 | 6,508,268 |
| Qualified XII (0.55) | 12,631.896 | 18.49 | 233,564 |
| Qualified XII (0.60) | 6,955.940 | 18.43 | 128,198 |

**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 XII (0.65) | 28,091.395 | \$ 18.37 | \$ 516,039 |
| Qualified XII (0.70) | 20,714.731 | 18.30 | 379,080 |
| Qualified XII (0.75) | 91,343.795 | 18.24 | 1,666,111 |
| Qualified XII (0.80) | 64,613.376 | 18.18 | 1,174,671 |
| Qualified XII (0.85) | 116,696.419 | 18.12 | 2,114,539 |
| Qualified XII (0.90) | 7,689.200 | 18.06 | 138,867 |
| Qualified XII (0.95) | 140,645.902 | 18.00 | 2,531,626 |
| Qualified XII (1.00) | 505,932.907 | 17.94 | 9,076,436 |
| Qualified XII (1.05) | 11,311.177 | 17.88 | 202,244 |
| Qualified XII (1.10) | 24,396.329 | 17.82 | 434,743 |
| Qualified XII (1.15) | 21,700.389 | 17.76 | 385,399 |
| Qualified XII (1.20) | 5,782.419 | 17.70 | 102,349 |
| Qualified XII (1.25) | 57,228.925 | 17.64 | 1,009,518 |
| Qualified XII (1.30) | 2,820.325 | 17.59 | 49,610 |
| Qualified XII (1.35) | 659.723 | 17.53 | 11,565 |
| Qualified XII (1.40) | 2,501.520 | 17.47 | 43,702 |
| Qualified XII (1.45) | 472.366 | 17.41 | 8,224 |
| Qualified XII (1.50) | 201.454 | 17.35 | 3,495 |
| Qualified XIII | 1,058.292 | 18.00 | 19,049 |
| Qualified XV | 3,141.549 | 18.00 | 56,548 |
| Qualified XVI | 19,113.387 | 17.35 | 331,617 |
| Qualified XVII | 1,222.197 | 17.64 | 21,560 |
| Qualified XXI | 18,801.795 | 18.18 | 341,817 |
| Qualified XXXIV | 1,650.788 | 9.86 | 16,277 |
| Qualified XXXVIII | 3,671.283 | 10.14 | 37,227 |
| Qualified XLIII | 5,308.662 | 9.88 | 52,450 |
| Qualified LIV | 4,405.227 | 18.40 | 81,056 |
| Qualified LVI | 30,592.594 | 18.91 | 578,506 |
| | <u>2,369,492.084</u> | | <u>\$ 42,550,161</u> |
| ING Morgan Stanley Global Franchise Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 1,492.904 | \$ 9.77 | \$ 14,586 |
| ING PIMCO High Yield Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 2,958.646 | \$ 9.91 | \$ 29,320 |
| ING PIMCO High Yield Portfolio - Institutional Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXVII | 399,548.800 | \$ 14.47 | \$ 5,781,471 |
| Qualified XXVIII | 297,846.577 | 14.50 | 4,318,775 |
| | <u>697,395.377</u> | | <u>\$ 10,100,246</u> |

**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 | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 7,825.432 | \$ 15.05 | \$ 117,773 |
| ING Custom Choice 65 | 805.552 | 15.99 | 12,881 |
| ING MAP PLUS NP3 | 720.450 | 14.98 | 10,792 |
| ING MAP PLUS NP6 | 8,383.714 | 14.85 | 124,498 |
| ING MAP PLUS NP8 | 1,349.516 | 14.76 | 19,919 |
| ING MAP PLUS NP9 | 24,486.204 | 14.72 | 360,437 |
| ING MAP PLUS NP11 | 4,254.331 | 14.64 | 62,283 |
| ING MAP PLUS NP12 | 14,209.896 | 14.60 | 207,464 |
| ING MAP PLUS NP13 | 1,721.935 | 14.56 | 25,071 |
| ING MAP PLUS NP14 | 576.127 | 14.52 | 8,365 |
| ING MAP PLUS NP16 | 1,941.718 | 14.43 | 28,019 |
| ING MAP PLUS NP17 | 1,082.530 | 14.39 | 15,578 |
| ING MAP PLUS NP18 | 75.689 | 14.35 | 1,086 |
| ING MAP PLUS NP21 | 13,928.181 | 14.23 | 198,198 |
| ING MAP PLUS NP22 | 61.701 | 14.19 | 876 |
| ING MAP PLUS NP23 | 920.788 | 14.15 | 13,029 |
| ING MAP PLUS NP26 | 986.627 | 14.03 | 13,842 |
| Qualified VI | 492,852.637 | 15.05 | 7,417,432 |
| Qualified XII (0.00) | 1,280.237 | 16.36 | 20,945 |
| Qualified XII (0.05) | 12,093.379 | 16.36 | 197,848 |
| Qualified XII (0.30) | 5,383.119 | 16.03 | 86,291 |
| Qualified XII (0.35) | 793.962 | 15.98 | 12,688 |
| Qualified XII (0.40) | 27,261.773 | 15.93 | 434,280 |
| Qualified XII (0.50) | 324,317.971 | 15.82 | 5,130,710 |
| Qualified XII (0.55) | 9,200.880 | 15.77 | 145,098 |
| Qualified XII (0.60) | 18,757.674 | 15.71 | 294,683 |
| Qualified XII (0.65) | 41,940.093 | 15.66 | 656,782 |
| Qualified XII (0.70) | 22,854.101 | 15.61 | 356,753 |
| Qualified XII (0.75) | 23,503.521 | 15.56 | 365,715 |
| Qualified XII (0.80) | 49,706.754 | 15.51 | 770,952 |
| Qualified XII (0.85) | 69,061.687 | 15.45 | 1,067,003 |
| Qualified XII (0.90) | 914.414 | 15.40 | 14,082 |
| Qualified XII (0.95) | 54,082.124 | 15.35 | 830,161 |
| Qualified XII (1.00) | 176,624.977 | 15.30 | 2,702,362 |
| Qualified XII (1.05) | 6,119.391 | 15.25 | 93,321 |
| Qualified XII (1.10) | 7,348.986 | 15.20 | 111,705 |
| Qualified XII (1.15) | 8,501.978 | 15.15 | 128,805 |
| Qualified XII (1.20) | 3,317.528 | 15.10 | 50,095 |
| Qualified XII (1.25) | 31,249.053 | 15.05 | 470,298 |
| Qualified XII (1.30) | 527.774 | 15.00 | 7,917 |
| Qualified XII (1.35) | 761.793 | 14.95 | 11,389 |
| Qualified XII (1.40) | 5,077.143 | 14.90 | 75,649 |
| Qualified XII (1.45) | 649.109 | 14.85 | 9,639 |
| Qualified XII (1.50) | 494.618 | 14.80 | 7,320 |
| Qualified XIII | 1,513.328 | 15.35 | 23,230 |
| Qualified XV | 3,213.648 | 15.35 | 49,329 |
| Qualified XVI | 10,192.334 | 14.80 | 150,847 |

**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 XXI | 13,609.637 | \$ 15.51 | \$ 211,085 |
| Qualified XXXIV | 294.235 | 13.34 | 3,925 |
| Qualified XXXVIII | 5,355.411 | 13.71 | 73,423 |
| Qualified XLIII | 1,327.056 | 13.37 | 17,743 |
| Qualified LIV | 11,598.806 | 15.69 | 181,985 |
| Qualified LVI | 12,772.631 | 16.13 | 206,023 |
| | <u>1,537,884.153</u> | | <u>\$ 23,607,624</u> |
| ING Pioneer Fund Portfolio - Institutional Class | | | |
| Currently payable annuity contracts: | 20,288.728 | \$9.17 to \$10.9 | \$ 216,698 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 1,487.860 | 9.67 | 14,388 |
| ING Custom Choice 65 | 2,115.908 | 10.17 | 21,519 |
| ING MAP PLUS NP1 | 85,043.808 | 10.24 | 870,849 |
| ING MAP PLUS NP8 | 2,520.867 | 10.04 | 25,310 |
| ING MAP PLUS NP9 | 14,345.598 | 10.01 | 143,599 |
| ING MAP PLUS NP10 | 215.061 | 9.98 | 2,146 |
| ING MAP PLUS NP11 | 3,767.359 | 9.95 | 37,485 |
| ING MAP PLUS NP12 | 21,951.129 | 9.92 | 217,755 |
| ING MAP PLUS NP13 | 304.507 | 9.90 | 3,015 |
| ING MAP PLUS NP14 | 21,756.076 | 9.87 | 214,732 |
| ING MAP PLUS NP15 | 226.365 | 9.84 | 2,227 |
| ING MAP PLUS NP17 | 1,231.622 | 9.78 | 12,045 |
| ING MAP PLUS NP22 | 115.980 | 9.65 | 1,119 |
| ING MAP PLUS NP24 | 1,036.871 | 9.59 | 9,944 |
| Qualified VI | 271,220.703 | 9.67 | 2,622,704 |
| Qualified VIII | 438.488 | 9.67 | 4,240 |
| Qualified X (1.15) | 58,812.255 | 9.73 | 572,243 |
| Qualified X (1.25) | 42,167.503 | 9.67 | 407,760 |
| Qualified XII (0.00) | 558.376 | 10.39 | 5,802 |
| Qualified XII (0.05) | 197,653.075 | 10.38 | 2,051,639 |
| Qualified XII (0.20) | 2,982.602 | 10.27 | 30,631 |
| Qualified XII (0.25) | 11,304.507 | 10.24 | 115,758 |
| Qualified XII (0.30) | 39,950.196 | 10.21 | 407,892 |
| Qualified XII (0.40) | 9,979.822 | 10.15 | 101,295 |
| Qualified XII (0.50) | 87,390.661 | 10.10 | 882,646 |
| Qualified XII (0.55) | 33,117.390 | 10.07 | 333,492 |
| Qualified XII (0.60) | 8,851.594 | 10.04 | 88,870 |
| Qualified XII (0.65) | 627,131.492 | 10.01 | 6,277,586 |
| Qualified XII (0.70) | 14,994.492 | 9.98 | 149,645 |
| Qualified XII (0.75) | 44,307.075 | 9.95 | 440,855 |
| Qualified XII (0.80) | 32,215.941 | 9.92 | 319,582 |
| Qualified XII (0.85) | 82,789.534 | 9.90 | 819,616 |
| Qualified XII (0.90) | 2,583.243 | 9.87 | 25,497 |
| Qualified XII (0.95) | 78,528.608 | 9.84 | 772,722 |
| Qualified XII (1.00) | 68,757.529 | 9.81 | 674,511 |
| Qualified XII (1.05) | 2,851.368 | 9.78 | 27,886 |
| Qualified XII (1.10) | 7,117.754 | 9.76 | 69,469 |
| Qualified XII (1.15) | 20,394.172 | 9.73 | 198,435 |

**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 (1.20) | 4,900.180 | \$ 9.70 | \$ 47,532 |
| Qualified XII (1.25) | 18,316.504 | 9.67 | 177,121 |
| Qualified XII (1.40) | 479.141 | 9.59 | 4,595 |
| Qualified XII (1.45) | 399.453 | 9.56 | 3,819 |
| Qualified XV | 154.300 | 9.84 | 1,518 |
| Qualified XVI | 7,384.167 | 9.54 | 70,445 |
| Qualified XVII | 131.612 | 9.67 | 1,273 |
| Qualified XVIII | 878.724 | 9.81 | 8,620 |
| Qualified XXI | 3,999.256 | 9.92 | 39,673 |
| Qualified XXXII | 986.219 | 9.67 | 9,537 |
| Qualified XXXIV | 415.755 | 8.60 | 3,575 |
| Qualified XXXVIII | 4,581.745 | 8.83 | 40,457 |
| Qualified LIV | 8,486.824 | 9.98 | 84,698 |
| Qualified LVI | 4,566.045 | 10.25 | 46,802 |
| Qualified LIX | 2,753.255 | 10.10 | 27,808 |
| | <u>1,980,939.299</u> | | <u>\$ 19,761,080</u> |
| ING Pioneer Fund Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP15 | 2,873.085 | \$ 9.80 | \$ 28,156 |
| ING MAP PLUS NP16 | 2,041.465 | 9.78 | 19,966 |
| ING MAP PLUS NP17 | 162.831 | 9.75 | 1,588 |
| ING MAP PLUS NP19 | 45.981 | 9.69 | 446 |
| ING MAP PLUS NP23 | 354.455 | 9.58 | 3,396 |
| ING MAP PLUS NP26 | 1,856.063 | 9.50 | 17,633 |
| ING MAP PLUS NP29 | 285.786 | 9.42 | 2,692 |
| Qualified XII (1.00) | 20,334.875 | 9.68 | 196,842 |
| | <u>27,954.541</u> | | <u>\$ 270,719</u> |
| ING Pioneer Mid Cap Value Portfolio - Institutional Class | | | |
| Currently payable annuity contracts: | | | |
| | 98,524.635 | \$ 10.13 | \$ 998,055 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 2,688.149 | 9.96 | 26,774 |
| ING Custom Choice 65 | 15,103.348 | 10.47 | 158,132 |
| ING MAP PLUS NP1 | 35,918.842 | 10.55 | 378,944 |
| ING MAP PLUS NP9 | 33,949.502 | 10.31 | 350,019 |
| ING MAP PLUS NP11 | 17,653.451 | 10.25 | 180,948 |
| ING MAP PLUS NP12 | 7,424.541 | 10.22 | 75,879 |
| ING MAP PLUS NP13 | 493.088 | 10.19 | 5,025 |
| ING MAP PLUS NP14 | 8,533.775 | 10.16 | 86,703 |
| ING MAP PLUS NP15 | 4,786.468 | 10.14 | 48,535 |
| ING MAP PLUS NP21 | 3,584.208 | 9.96 | 35,699 |
| ING MAP PLUS NP22 | 2,913.613 | 9.94 | 28,961 |
| ING MAP PLUS NP23 | 323.854 | 9.91 | 3,209 |
| ING MAP PLUS NP26 | 126.212 | 9.82 | 1,239 |
| ING MAP PLUS NP28 | 1,287.623 | 9.77 | 12,580 |
| ING MAP PLUS NP32 | 1,436.730 | 9.66 | 13,879 |
| Qualified V | 65.345 | 9.87 | 645 |
| Qualified VI | 1,409,695.232 | 9.96 | 14,040,565 |
| Qualified X (1.15) | 51,956.586 | 10.02 | 520,605 |

**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) | | | |
| Qualified X (1.25) | 103,351.602 | \$ 9.96 | \$ 1,029,382 |
| Qualified XII (0.00) | 23,175.982 | 10.70 | 247,983 |
| Qualified XII (0.05) | 75,733.479 | 10.70 | 810,348 |
| Qualified XII (0.10) | 117.032 | 10.64 | 1,245 |
| Qualified XII (0.20) | 54,165.222 | 10.58 | 573,068 |
| Qualified XII (0.25) | 56,559.445 | 10.55 | 596,702 |
| Qualified XII (0.30) | 21,725.096 | 10.52 | 228,548 |
| Qualified XII (0.40) | 53,421.440 | 10.46 | 558,788 |
| Qualified XII (0.50) | 1,030,786.155 | 10.40 | 10,720,176 |
| Qualified XII (0.55) | 55,612.323 | 10.37 | 576,700 |
| Qualified XII (0.60) | 44,859.324 | 10.34 | 463,845 |
| Qualified XII (0.65) | 588,739.689 | 10.31 | 6,069,906 |
| Qualified XII (0.70) | 65,957.077 | 10.28 | 678,039 |
| Qualified XII (0.75) | 277,834.753 | 10.25 | 2,847,806 |
| Qualified XII (0.80) | 488,672.681 | 10.22 | 4,994,235 |
| Qualified XII (0.85) | 307,647.626 | 10.19 | 3,134,929 |
| Qualified XII (0.90) | 12,299.219 | 10.16 | 124,960 |
| Qualified XII (0.95) | 192,142.190 | 10.14 | 1,948,322 |
| Qualified XII (1.00) | 1,164,162.039 | 10.11 | 11,769,678 |
| Qualified XII (1.05) | 27,192.221 | 10.08 | 274,098 |
| Qualified XII (1.10) | 44,213.131 | 10.05 | 444,342 |
| Qualified XII (1.15) | 27,248.567 | 10.02 | 273,031 |
| Qualified XII (1.20) | 6,714.281 | 9.99 | 67,076 |
| Qualified XII (1.25) | 84,112.589 | 9.96 | 837,761 |
| Qualified XII (1.30) | 17,917.672 | 9.94 | 178,102 |
| Qualified XII (1.35) | 7.919 | 9.91 | 78 |
| Qualified XII (1.40) | 15,102.259 | 9.88 | 149,210 |
| Qualified XII (1.45) | 2,836.682 | 9.85 | 27,941 |
| Qualified XII (1.50) | 456.884 | 9.82 | 4,487 |
| Qualified XIII | 125.334 | 10.14 | 1,271 |
| Qualified XV | 4,128.404 | 10.14 | 41,862 |
| Qualified XVI | 39,658.698 | 9.82 | 389,448 |
| Qualified XVIII | 1,000.200 | 10.11 | 10,112 |
| Qualified XXVII | 1,256,325.591 | 10.04 | 12,613,509 |
| Qualified XXXII | 21.863 | 9.96 | 218 |
| Qualified XXXIII (0.65) | 52,932.834 | 10.31 | 545,738 |
| Qualified XXXIV | 4,187.439 | 8.77 | 36,724 |
| Qualified XXXVIII | 2,624.139 | 9.01 | 23,643 |
| Qualified XLIII | 29.758 | 8.79 | 262 |
| Qualified LIV | 38,186.910 | 10.28 | 392,561 |
| Qualified LVI | 23,899.788 | 10.56 | 252,382 |
| Qualified LIX | 4,504.528 | 10.40 | 46,847 |
| | <u>7,966,855.267</u> | | <u>\$ 80,951,759</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 Mid Cap Value Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 6,180.319 | \$ 10.51 | \$ 64,955 |
| ING MAP PLUS NP6 | 521.832 | 10.36 | 5,406 |
| ING MAP PLUS NP8 | 3,088.409 | 10.30 | 31,811 |
| ING MAP PLUS NP9 | 5,144.189 | 10.27 | 52,831 |
| ING MAP PLUS NP11 | 2,231.062 | 10.21 | 22,779 |
| ING MAP PLUS NP12 | 1,487.264 | 10.19 | 15,155 |
| ING MAP PLUS NP14 | 177.208 | 10.13 | 1,795 |
| ING MAP PLUS NP16 | 1,307.821 | 10.07 | 13,170 |
| ING MAP PLUS NP17 | 3,157.933 | 10.04 | 31,706 |
| ING MAP PLUS NP19 | 2,568.413 | 9.99 | 25,658 |
| ING MAP PLUS NP23 | 2,549.798 | 9.87 | 25,167 |
| ING MAP PLUS NP25 | 2,689.132 | 9.82 | 26,407 |
| ING MAP PLUS NP26 | 3,025.937 | 9.79 | 29,624 |
| ING MAP PLUS NP29 | 865.679 | 9.71 | 8,406 |
| ING MAP PLUS NP32 | 394.763 | 9.62 | 3,798 |
| Qualified XII (0.95) | 3.202 | 9.54 | 31 |
| Qualified XII (1.25) | 32.584 | 9.44 | 308 |
| | <u>35,425.545</u> | | <u>\$ 359,007</u> |
| ING T. Rowe Price Capital Appreciation Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 15,116.996 | \$ 9.65 | \$ 145,879 |
| ING T. Rowe Price Capital Appreciation Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 68,490.505 | \$ 13.76 | \$ 942,429 |
| ING Custom Choice 65 | 4,443.047 | 14.61 | 64,913 |
| ING MAP PLUS NP1 | 177,880.269 | 14.85 | 2,641,522 |
| ING MAP PLUS NP6 | 34,621.164 | 14.61 | 505,815 |
| ING MAP PLUS NP8 | 15,411.757 | 14.51 | 223,625 |
| ING MAP PLUS NP9 | 64,282.633 | 14.46 | 929,527 |
| ING MAP PLUS NP11 | 65,959.902 | 14.37 | 947,844 |
| ING MAP PLUS NP12 | 48,280.026 | 14.32 | 691,370 |
| ING MAP PLUS NP13 | 6,228.074 | 14.27 | 88,875 |
| ING MAP PLUS NP14 | 78,163.461 | 14.22 | 1,111,484 |
| ING MAP PLUS NP15 | 136,057.406 | 14.18 | 1,929,294 |
| ING MAP PLUS NP16 | 8,049.274 | 14.13 | 113,736 |
| ING MAP PLUS NP17 | 28,760.845 | 14.08 | 404,953 |
| ING MAP PLUS NP18 | 7,394.472 | 14.03 | 103,744 |
| ING MAP PLUS NP19 | 13,247.794 | 13.99 | 185,337 |
| ING MAP PLUS NP20 | 281.356 | 13.94 | 3,922 |
| ING MAP PLUS NP21 | 15,012.186 | 13.89 | 208,519 |
| ING MAP PLUS NP22 | 4,488.347 | 13.85 | 62,164 |
| ING MAP PLUS NP23 | 11,722.777 | 13.80 | 161,774 |
| ING MAP PLUS NP24 | 4,014.660 | 13.76 | 55,242 |
| ING MAP PLUS NP25 | 270.433 | 13.71 | 3,708 |
| ING MAP PLUS NP26 | 7,738.859 | 13.66 | 105,713 |
| ING MAP PLUS NP28 | 1,191.094 | 13.57 | 16,163 |

**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) | | | |
| ING MAP PLUS NP30 | 116.918 | \$ 13.48 | \$ 1,576 |
| Qualified VI | 6,619,659.469 | 13.76 | 91,086,514 |
| Qualified VIII | 1,927.826 | 13.75 | 26,508 |
| Qualified XII (0.00) | 7,932.522 | 14.95 | 118,591 |
| Qualified XII (0.10) | 83.273 | 14.85 | 1,237 |
| Qualified XII (0.20) | 228,698.367 | 14.75 | 3,373,301 |
| Qualified XII (0.25) | 7,243.169 | 14.71 | 106,547 |
| Qualified XII (0.30) | 44,655.726 | 14.66 | 654,653 |
| Qualified XII (0.35) | 5,893.166 | 14.61 | 86,099 |
| Qualified XII (0.40) | 438,135.394 | 14.56 | 6,379,251 |
| Qualified XII (0.50) | 6,259,062.676 | 14.46 | 90,506,046 |
| Qualified XII (0.55) | 440,395.167 | 14.41 | 6,346,094 |
| Qualified XII (0.60) | 47,198.206 | 14.37 | 678,238 |
| Qualified XII (0.65) | 238,970.933 | 14.32 | 3,422,064 |
| Qualified XII (0.70) | 204,330.786 | 14.27 | 2,915,800 |
| Qualified XII (0.75) | 2,868,973.995 | 14.22 | 40,796,810 |
| Qualified XII (0.80) | 552,457.745 | 14.18 | 7,833,851 |
| Qualified XII (0.85) | 2,160,104.417 | 14.13 | 30,522,275 |
| Qualified XII (0.90) | 11,328.755 | 14.08 | 159,509 |
| Qualified XII (0.95) | 1,109,411.874 | 14.03 | 15,565,049 |
| Qualified XII (1.00) | 4,342,116.648 | 13.99 | 60,746,212 |
| Qualified XII (1.05) | 31,407.722 | 13.94 | 437,824 |
| Qualified XII (1.10) | 131,985.742 | 13.89 | 1,833,282 |
| Qualified XII (1.15) | 150,227.256 | 13.85 | 2,080,647 |
| Qualified XII (1.20) | 55,152.646 | 13.80 | 761,107 |
| Qualified XII (1.25) | 644,694.683 | 13.76 | 8,870,999 |
| Qualified XII (1.30) | 10,890.203 | 13.71 | 149,305 |
| Qualified XII (1.40) | 15,475.009 | 13.62 | 210,770 |
| Qualified XII (1.45) | 317.203 | 13.57 | 4,304 |
| Qualified XII (1.50) | 5,011.393 | 13.53 | 67,804 |
| Qualified XIII | 876.078 | 14.03 | 12,291 |
| Qualified XV | 21,764.802 | 14.03 | 305,360 |
| Qualified XVI | 96,178.918 | 13.53 | 1,301,301 |
| Qualified XVII | 8,066.757 | 13.76 | 110,999 |
| Qualified XXI | 67,553.760 | 14.18 | 957,912 |
| Qualified XXXIV | 57,280.676 | 10.86 | 622,068 |
| Qualified XXXVIII | 68,164.515 | 11.16 | 760,716 |
| Qualified XLIII | 1,603.331 | 10.88 | 17,444 |
| Qualified LIV | 257,805.864 | 14.34 | 3,696,936 |
| Qualified LVI | 73,057.736 | 14.74 | 1,076,871 |
| | <u>28,088,201.667</u> | | <u>\$ 396,105,838</u> |
| ING T. Rowe Price Equity Income Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 131,186.167 | \$ 11.03 | \$ 1,446,983 |

**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 | | | |
| Currently payable annuity contracts: | 7,048.663 | \$ 14.50 | \$ 102,206 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 10,941.013 | 12.28 | 134,356 |
| ING Custom Choice 65 | 2,442.810 | 11.77 | 28,752 |
| ING MAP PLUS NP1 | 5,192.635 | 13.08 | 67,920 |
| ING MAP PLUS NP4 | 8,270.007 | 12.92 | 106,848 |
| ING MAP PLUS NP6 | 22,120.339 | 12.82 | 283,583 |
| ING MAP PLUS NP8 | 966.811 | 12.72 | 12,298 |
| ING MAP PLUS NP9 | 34,622.550 | 12.67 | 438,668 |
| ING MAP PLUS NP11 | 12,561.856 | 12.57 | 157,903 |
| ING MAP PLUS NP12 | 7,943.645 | 12.52 | 99,454 |
| ING MAP PLUS NP13 | 4.435 | 12.47 | 55 |
| ING MAP PLUS NP14 | 1,537.684 | 12.42 | 19,098 |
| ING MAP PLUS NP15 | 24,611.703 | 12.37 | 304,447 |
| ING MAP PLUS NP16 | 763.705 | 12.32 | 9,409 |
| ING MAP PLUS NP17 | 13,753.330 | 12.27 | 168,753 |
| ING MAP PLUS NP18 | 936.957 | 12.23 | 11,459 |
| ING MAP PLUS NP19 | 3,279.729 | 12.18 | 39,947 |
| ING MAP PLUS NP20 | 19,933.528 | 12.13 | 241,794 |
| ING MAP PLUS NP21 | 15,362.209 | 12.08 | 185,575 |
| ING MAP PLUS NP22 | 683.619 | 12.03 | 8,224 |
| ING MAP PLUS NP23 | 3,548.352 | 11.99 | 42,545 |
| ING MAP PLUS NP24 | 2,157.449 | 11.94 | 25,760 |
| ING MAP PLUS NP26 | 5,874.600 | 11.84 | 69,555 |
| ING MAP PLUS NP28 | 9,409.180 | 11.75 | 110,558 |
| ING MAP PLUS NP29 | 581.091 | 11.71 | 6,805 |
| Qualified V | 131.680 | 14.58 | 1,920 |
| Qualified VI | 948,859.555 | 15.72 | 14,916,072 |
| Qualified X (1.15) | 47,748.917 | 12.22 | 583,492 |
| Qualified X (1.25) | 101,970.322 | 12.13 | 1,236,900 |
| Qualified XII (0.00) | 2,365.610 | 17.51 | 41,422 |
| Qualified XII (0.05) | 221,779.716 | 17.40 | 3,858,967 |
| Qualified XII (0.20) | 20,738.051 | 17.22 | 357,109 |
| Qualified XII (0.25) | 820.910 | 17.14 | 14,070 |
| Qualified XII (0.30) | 18,111.253 | 17.07 | 309,159 |
| Qualified XII (0.40) | 45,561.820 | 16.93 | 771,362 |
| Qualified XII (0.50) | 487,376.182 | 16.77 | 8,173,299 |
| Qualified XII (0.55) | 30,629.282 | 16.71 | 511,815 |
| Qualified XII (0.60) | 2,686,956.378 | 16.64 | 44,710,954 |
| Qualified XII (0.65) | 67,043.411 | 16.57 | 1,110,909 |
| Qualified XII (0.70) | 38,154.361 | 16.50 | 629,547 |
| Qualified XII (0.75) | 50,329.312 | 16.43 | 826,911 |
| Qualified XII (0.80) | 53,764.061 | 16.33 | 877,967 |
| Qualified XII (0.85) | 182,116.742 | 16.24 | 2,957,576 |
| Qualified XII (0.90) | 3,384.614 | 16.19 | 54,797 |
| Qualified XII (0.95) | 163,826.335 | 16.10 | 2,637,604 |
| Qualified XII (1.00) | 393,592.506 | 16.04 | 6,313,224 |
| Qualified XII (1.05) | 7,271.941 | 15.97 | 116,133 |

**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 (1.10) | 53,577.301 | \$ 15.90 | \$ 851,879 |
| Qualified XII (1.15) | 22,183.002 | 15.83 | 351,157 |
| Qualified XII (1.20) | 14,537.401 | 15.77 | 229,255 |
| Qualified XII (1.25) | 81,506.310 | 15.70 | 1,279,649 |
| Qualified XII (1.30) | 369.140 | 15.63 | 5,770 |
| Qualified XII (1.35) | 526.533 | 15.57 | 8,198 |
| Qualified XII (1.40) | 10,132.559 | 15.50 | 157,055 |
| Qualified XII (1.45) | 684.049 | 15.44 | 10,562 |
| Qualified XII (1.50) | 378.945 | 15.37 | 5,824 |
| Qualified XIII | 697.540 | 15.17 | 10,582 |
| Qualified XV | 6,824.764 | 15.17 | 103,532 |
| Qualified XVI | 23,249.514 | 15.38 | 357,578 |
| Qualified XVII | 1,072.275 | 14.78 | 15,848 |
| Qualified XVIII | 3,391.934 | 12.36 | 41,924 |
| Qualified XXI | 140,378.480 | 15.37 | 2,157,617 |
| Qualified XXXII | 1,165.009 | 12.13 | 14,132 |
| Qualified XXXIV | 10,512.281 | 8.66 | 91,036 |
| Qualified XXXVIII | 17,708.027 | 8.90 | 157,601 |
| Qualified XLIII | 5,044.423 | 8.68 | 43,786 |
| Qualified LIV | 29,804.245 | 11.55 | 344,239 |
| Qualified LVI | 20,821.948 | 11.87 | 247,157 |
| | <u>6,231,646.539</u> | | <u>\$ 100,171,562</u> |
| ING T. Rowe Price International Stock Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 10,813.016 | \$ 7.63 | \$ 82,503 |
| ING T. Rowe Price International Stock Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 572.638 | \$ 11.95 | \$ 6,843 |
| ING Custom Choice 65 | 444.494 | 12.70 | 5,645 |
| ING MAP PLUS NP9 | 2,411.758 | 12.56 | 30,292 |
| ING MAP PLUS NP11 | 1,025.034 | 12.48 | 12,792 |
| ING MAP PLUS NP12 | 7,359.979 | 12.44 | 91,558 |
| ING MAP PLUS NP13 | 1,338.011 | 12.40 | 16,591 |
| ING MAP PLUS NP15 | 2,424.116 | 12.31 | 29,841 |
| ING MAP PLUS NP17 | 1,032.136 | 12.23 | 12,623 |
| ING MAP PLUS NP23 | 482.402 | 11.99 | 5,784 |
| Qualified VI | 177,066.853 | 11.95 | 2,115,949 |
| Qualified XII (0.00) | 125.896 | 12.99 | 1,635 |
| Qualified XII (0.10) | 29.506 | 12.90 | 381 |
| Qualified XII (0.30) | 2,954.663 | 12.73 | 37,613 |
| Qualified XII (0.40) | 9,371.275 | 12.65 | 118,547 |
| Qualified XII (0.50) | 43,232.857 | 12.56 | 543,005 |
| Qualified XII (0.55) | 267.419 | 12.52 | 3,348 |
| Qualified XII (0.60) | 5,155.575 | 12.48 | 64,342 |
| Qualified XII (0.65) | 14,397.256 | 12.44 | 179,102 |
| Qualified XII (0.70) | 9,507.085 | 12.40 | 117,888 |
| Qualified XII (0.75) | 30,539.067 | 12.35 | 377,157 |

**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 International Stock Portfolio - Service Class (continued) | | | |
| Qualified XII (0.80) | 23,176.105 | \$ 12.31 | \$ 285,298 |
| Qualified XII (0.85) | 37,592.223 | 12.27 | 461,257 |
| Qualified XII (0.90) | 387.252 | 12.23 | 4,736 |
| Qualified XII (0.95) | 38,822.102 | 12.19 | 473,241 |
| Qualified XII (1.00) | 101,943.789 | 12.15 | 1,238,617 |
| Qualified XII (1.05) | 429.412 | 12.11 | 5,200 |
| Qualified XII (1.10) | 5,460.171 | 12.07 | 65,904 |
| Qualified XII (1.15) | 7,375.854 | 12.03 | 88,732 |
| Qualified XII (1.20) | 461.878 | 11.99 | 5,538 |
| Qualified XII (1.25) | 10,501.186 | 11.95 | 125,489 |
| Qualified XII (1.30) | 13.050 | 11.91 | 155 |
| Qualified XII (1.40) | 284.829 | 11.83 | 3,370 |
| Qualified XII (1.45) | 5.469 | 11.79 | 64 |
| Qualified XV | 998.596 | 12.19 | 12,173 |
| Qualified XVI | 5,076.684 | 11.75 | 59,651 |
| Qualified XXI | 4,444.109 | 12.31 | 54,707 |
| Qualified XXXIV | 349.664 | 6.61 | 2,311 |
| Qualified XXXVIII | 340.785 | 6.79 | 2,314 |
| Qualified XLIII | 559.568 | 6.62 | 3,704 |
| Qualified LIV | 9,902.665 | 12.46 | 123,387 |
| Qualified LVI | 6,635.467 | 12.81 | 85,000 |
| | <u>564,498.878</u> | | <u>\$ 6,871,784</u> |
| ING Templeton Global Growth Portfolio - Institutional Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP9 | 24,665.172 | \$ 13.54 | \$ 333,966 |
| ING MAP PLUS NP11 | 344.218 | 13.46 | 4,633 |
| ING MAP PLUS NP14 | 1,148.598 | 13.35 | 15,334 |
| ING MAP PLUS NP15 | 11,241.471 | 13.31 | 149,624 |
| ING MAP PLUS NP17 | 3,555.517 | 13.24 | 47,075 |
| ING MAP PLUS NP19 | 834.176 | 13.16 | 10,978 |
| ING MAP PLUS NP20 | 10.945 | 13.12 | 144 |
| ING MAP PLUS NP21 | 1,428.008 | 13.09 | 18,693 |
| ING MAP PLUS NP22 | 542.248 | 13.05 | 7,076 |
| ING MAP PLUS NP25 | 3,611.009 | 12.94 | 46,726 |
| ING MAP PLUS NP26 | 173.258 | 12.90 | 2,235 |
| Qualified XII (1.00) | 5,496.752 | 13.20 | 72,557 |
| | <u>53,051.372</u> | | <u>\$ 709,041</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|--------------------|-------------------|-----------------------|
| ING Templeton Global Growth Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 250.045 | \$ 8.63 | \$ 2,158 |
| ING Custom Choice 65 | 113.417 | 9.06 | 1,028 |
| Qualified VI | 157,851.610 | 8.63 | 1,362,259 |
| Qualified VIII | 1,071.443 | 8.62 | 9,236 |
| Qualified XII (0.30) | 4,219.938 | 9.10 | 38,401 |
| Qualified XII (0.40) | 9,173.855 | 9.05 | 83,023 |
| Qualified XII (0.50) | 3,192.880 | 9.00 | 28,736 |
| Qualified XII (0.55) | 1,265.019 | 8.98 | 11,360 |
| Qualified XII (0.60) | 190.784 | 8.95 | 1,708 |
| Qualified XII (0.65) | 17,058.754 | 8.92 | 152,164 |
| Qualified XII (0.70) | 3,628.012 | 8.90 | 32,289 |
| Qualified XII (0.75) | 8,697.237 | 8.87 | 77,144 |
| Qualified XII (0.80) | 4,944.336 | 8.85 | 43,757 |
| Qualified XII (0.85) | 77,511.331 | 8.82 | 683,650 |
| Qualified XII (0.90) | 712.140 | 8.80 | 6,267 |
| Qualified XII (0.95) | 58,930.697 | 8.77 | 516,822 |
| Qualified XII (1.00) | 45,089.986 | 8.75 | 394,537 |
| Qualified XII (1.10) | 4,997.572 | 8.70 | 43,479 |
| Qualified XII (1.15) | 1,149.571 | 8.67 | 9,967 |
| Qualified XII (1.20) | 1,242.802 | 8.65 | 10,750 |
| Qualified XII (1.25) | 13,647.156 | 8.63 | 117,775 |
| Qualified XII (1.30) | 0.499 | 8.60 | 4 |
| Qualified XII (1.40) | 3,084.656 | 8.55 | 26,374 |
| Qualified XII (1.45) | 18.570 | 8.53 | 158 |
| Qualified XV | 78.160 | 8.77 | 685 |
| Qualified XVI | 8,665.629 | 8.50 | 73,658 |
| Qualified XXI | 2,349.180 | 8.85 | 20,790 |
| Qualified XXXIV | 988.481 | 7.74 | 7,651 |
| Qualified XXXVIII | 1,888.892 | 7.96 | 15,036 |
| Qualified LIV | 1,650.764 | 8.90 | 14,692 |
| Qualified LVI | 4,290.453 | 9.14 | 39,215 |
| | <u>437,953.869</u> | | <u>\$ 3,824,773</u> |
| ING U.S. Stock Index Portfolio - Institutional Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 1,478.836 | \$ 12.04 | \$ 17,805 |
| Qualified XII (0.00) | 70,525.863 | 13.03 | 918,952 |
| Qualified XII (0.05) | 361,476.391 | 13.01 | 4,702,808 |
| Qualified XII (0.40) | 66,521.542 | 12.64 | 840,832 |
| Qualified XII (0.65) | 1,804.473 | 12.40 | 22,375 |
| Qualified XII (0.75) | 2,965.759 | 12.30 | 36,479 |
| Qualified XII (0.80) | 2,927.978 | 12.26 | 35,897 |
| Qualified XII (0.95) | 2,665.965 | 12.12 | 32,311 |
| Qualified XII (1.00) | 21,651.608 | 12.07 | 261,335 |
| Qualified XII (1.25) | 85.190 | 11.84 | 1,009 |
| | <u>532,103.605</u> | | <u>\$ 6,869,803</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---|---------------|--------------------|-----------------------|
| ING Money Market Portfolio - Class I | | | |
| Currently payable annuity contracts: | 236,834.298 | \$10.91 to \$12.57 | \$ 2,625,883 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 175,309.325 | 10.75 | 1,884,575 |
| ING Custom Choice 65 | 16,945.623 | 11.41 | 193,350 |
| ING MAP PLUS NP1 | 127.363 | 11.39 | 1,451 |
| ING MAP PLUS NP6 | 4,884.544 | 11.16 | 54,512 |
| ING MAP PLUS NP8 | 6,453.003 | 11.08 | 71,499 |
| ING MAP PLUS NP9 | 12.329 | 11.03 | 136 |
| ING MAP PLUS NP11 | 1,465.755 | 10.95 | 16,050 |
| ING MAP PLUS NP12 | 1,737.220 | 10.90 | 18,936 |
| ING MAP PLUS NP14 | 5.943 | 10.82 | 64 |
| ING MAP PLUS NP15 | 1,393.144 | 10.77 | 15,004 |
| ING MAP PLUS NP17 | 11,653.655 | 10.69 | 124,578 |
| ING MAP PLUS NP20 | 4,340.045 | 10.56 | 45,831 |
| ING MAP PLUS NP21 | 2,398.287 | 10.52 | 25,230 |
| ING MAP PLUS NP23 | 172.875 | 10.44 | 1,805 |
| Qualified I | 1,974.062 | 52.66 | 103,954 |
| Qualified V | 14,737.472 | 14.54 | 214,283 |
| Qualified VI | 3,083,033.963 | 14.94 | 46,060,527 |
| Qualified VII | 28,164.503 | 14.96 | 421,341 |
| Qualified VIII | 1,394.540 | 14.38 | 20,053 |
| Qualified IX | 586.415 | 15.32 | 8,984 |
| Qualified X (1.15) | 194,459.064 | 15.22 | 2,959,667 |
| Qualified X (1.25) | 369,309.311 | 14.94 | 5,517,481 |
| Qualified XII (0.00) | 19,951.016 | 14.59 | 291,085 |
| Qualified XII (0.05) | 4,543.482 | 17.05 | 77,466 |
| Qualified XII (0.20) | 105,089.566 | 14.20 | 1,492,272 |
| Qualified XII (0.25) | 284,731.220 | 14.10 | 4,014,710 |
| Qualified XII (0.30) | 79,086.076 | 14.01 | 1,107,996 |
| Qualified XII (0.35) | 32,248.546 | 13.91 | 448,577 |
| Qualified XII (0.40) | 516,229.936 | 15.05 | 7,769,261 |
| Qualified XII (0.45) | 334.969 | 13.72 | 4,596 |
| Qualified XII (0.50) | 1,809,847.470 | 13.76 | 24,903,501 |
| Qualified XII (0.55) | 357,258.895 | 13.54 | 4,837,285 |
| Qualified XII (0.60) | 2,028,314.332 | 13.45 | 27,280,828 |
| Qualified XII (0.65) | 1,447,360.479 | 13.36 | 19,336,736 |
| Qualified XII (0.70) | 1,268,413.570 | 13.27 | 16,831,848 |
| Qualified XII (0.75) | 935,309.459 | 13.18 | 12,327,379 |
| Qualified XII (0.80) | 1,051,569.299 | 13.26 | 13,943,809 |
| Qualified XII (0.85) | 962,862.584 | 14.22 | 13,691,906 |
| Qualified XII (0.90) | 67,859.985 | 13.04 | 884,894 |
| Qualified XII (0.95) | 707,062.559 | 14.00 | 9,898,876 |
| Qualified XII (1.00) | 3,191,766.175 | 13.89 | 44,333,632 |
| Qualified XII (1.05) | 93,124.561 | 13.78 | 1,283,256 |
| Qualified XII (1.10) | 189,339.863 | 13.68 | 2,590,169 |
| Qualified XII (1.15) | 128,666.350 | 13.57 | 1,746,002 |
| Qualified XII (1.20) | 78,429.137 | 13.47 | 1,056,440 |
| Qualified XII (1.25) | 391,865.966 | 13.36 | 5,235,329 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|-----------------------|-------------------|-----------------------|
| ING Money Market Portfolio - Class I (continued) | | | |
| Qualified XII (1.30) | 9,835.398 | \$ 13.26 | \$ 130,417 |
| Qualified XII (1.40) | 67,670.428 | 13.05 | 883,099 |
| Qualified XII (1.45) | 15,525.072 | 12.95 | 201,050 |
| Qualified XII (1.50) | 3,190.077 | 12.85 | 40,992 |
| Qualified XIII | 129.292 | 15.66 | 2,025 |
| Qualified XV | 8,053.912 | 15.63 | 125,883 |
| Qualified XVI | 96,795.577 | 14.40 | 1,393,856 |
| Qualified XVII | 82,052.172 | 14.94 | 1,225,859 |
| Qualified XVIII | 145,984.041 | 14.94 | 2,181,002 |
| Qualified XIX | 243.595 | 52.66 | 12,828 |
| Qualified XX | 20,731.367 | 51.48 | 1,067,251 |
| Qualified XXI | 27,150.702 | 15.93 | 432,511 |
| Qualified XXV | 27.606 | 16.08 | 444 |
| Qualified XXVII | 543,894.522 | 57.32 | 31,176,034 |
| Qualified XXVIII | 357,761.244 | 56.21 | 20,109,760 |
| Qualified XXIX | 1.550 | 51.48 | 80 |
| Qualified XXX | 39,421.742 | 50.08 | 1,974,241 |
| Qualified XXXII | 12,760.188 | 10.73 | 136,917 |
| Qualified XXXIII (0.65) | 133,046.588 | 11.62 | 1,546,001 |
| Qualified XXXIV | 15,578.753 | 10.14 | 157,969 |
| Qualified XXXV | 83,372.447 | 11.22 | 935,439 |
| Qualified XXXVI | 9,934.074 | 11.75 | 116,725 |
| Qualified XXXVIII | 68,238.881 | 10.42 | 711,049 |
| Qualified XLIII | 560.830 | 10.16 | 5,698 |
| Qualified LIV | 32,119.051 | 11.20 | 359,733 |
| Qualified LVI | 99,364.441 | 11.53 | 1,145,672 |
| Qualified LIX | 5,519.458 | 11.91 | 65,737 |
| | <u>21,787,621.242</u> | | <u>\$ 341,911,319</u> |
| ING Global Real Estate Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP11 | 10.545 | \$ 15.02 | \$ 158 |
| ING MAP PLUS NP12 | 523.213 | 15.00 | 7,848 |
| ING MAP PLUS NP15 | 636.499 | 14.94 | 9,509 |
| ING MAP PLUS NP17 | 3,070.497 | 14.90 | 45,750 |
| | <u>4,240.754</u> | | <u>\$ 63,265</u> |
| ING International Capital Appreciation Fund - Class I | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP13 | 170.630 | \$ 11.58 | \$ 1,976 |
| ING MAP PLUS NP28 | 13.617 | 11.36 | 155 |
| | <u>184.247</u> | | <u>\$ 2,131</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 | 48,152.626 | \$ 14.68 | \$ 706,881 |
| ING MAP PLUS NP8 | 1,366.679 | 14.27 | 19,503 |
| ING MAP PLUS NP9 | 14,282.594 | 14.22 | 203,098 |
| ING MAP PLUS NP11 | 211.208 | 14.11 | 2,980 |
| ING MAP PLUS NP13 | 477.351 | 14.00 | 6,683 |
| ING MAP PLUS NP14 | 5,095.870 | 13.94 | 71,036 |
| ING MAP PLUS NP15 | 311.999 | 13.89 | 4,334 |
| ING MAP PLUS NP17 | 5,958.035 | 13.78 | 82,102 |
| ING MAP PLUS NP18 | 5.214 | 13.72 | 72 |
| ING MAP PLUS NP22 | 517.060 | 13.51 | 6,985 |
| ING MAP PLUS NP23 | 839.911 | 13.45 | 11,297 |
| ING MAP PLUS NP28 | 766.837 | 13.19 | 10,115 |
| ING MAP PLUS NP29 | 673.243 | 13.14 | 8,846 |
| | <u>78,658.627</u> | | <u>\$ 1,133,932</u> |
| ING American Century Small-Mid Cap Value Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 8,455.747 | \$ 13.02 | \$ 110,094 |
| ING American Century Small-Mid Cap Value Portfolio - Initial Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 10.069 | \$ 11.03 | \$ 111 |
| Qualified XII (0.95) | 47.671 | 11.08 | 528 |
| Qualified XII (1.10) | 85.275 | 11.05 | 942 |
| Qualified XII (1.40) | 336.316 | 11.01 | 3,703 |
| | <u>479.331</u> | | <u>\$ 5,284</u> |
| ING American Century Small-Mid Cap Value Portfolio - Service Class | | | |
| Currently payable annuity contracts: | 31,818.250 | \$ 16.58 | \$ 527,547 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 3,486.628 | 15.36 | 53,555 |
| ING Custom Choice 65 | 1,852.401 | 14.64 | 27,119 |
| ING MAP PLUS NP1 | 2,230.233 | 16.77 | 37,401 |
| ING MAP PLUS NP5 | 0.005 | 16.51 | - |
| ING MAP PLUS NP9 | 14,345.543 | 16.25 | 233,115 |
| ING MAP PLUS NP11 | 6,054.951 | 16.12 | 97,606 |
| ING MAP PLUS NP12 | 479.920 | 16.06 | 7,708 |
| ING MAP PLUS NP13 | 548.055 | 16.00 | 8,769 |
| ING MAP PLUS NP14 | 151.950 | 15.93 | 2,421 |
| ING MAP PLUS NP15 | 3,276.399 | 15.87 | 51,996 |
| ING MAP PLUS NP16 | 4,737.525 | 15.81 | 74,900 |
| ING MAP PLUS NP17 | 172.825 | 15.74 | 2,720 |
| ING MAP PLUS NP18 | 1,227.480 | 15.68 | 19,247 |
| ING MAP PLUS NP19 | 1,021.519 | 15.62 | 15,956 |
| ING MAP PLUS NP20 | 9,637.443 | 15.56 | 149,959 |
| ING MAP PLUS NP23 | 23.791 | 15.38 | 366 |
| ING MAP PLUS NP24 | 919.219 | 15.31 | 14,073 |

**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) | | | |
| ING MAP PLUS NP26 | 1,249.296 | \$ 15.19 | \$ 18,977 |
| ING MAP PLUS NP30 | 247.877 | 14.96 | 3,708 |
| Qualified VI | 304,232.119 | 16.90 | 5,141,523 |
| Qualified X (1.15) | 17,736.634 | 17.07 | 302,764 |
| Qualified X (1.25) | 26,539.040 | 16.90 | 448,510 |
| Qualified XII (0.00) | 3,586.650 | 19.08 | 68,433 |
| Qualified XII (0.05) | 38,857.974 | 18.85 | 732,473 |
| Qualified XII (0.20) | 2,505.271 | 18.71 | 46,874 |
| Qualified XII (0.25) | 1,561.064 | 18.62 | 29,067 |
| Qualified XII (0.30) | 10,382.114 | 18.53 | 192,381 |
| Qualified XII (0.35) | 7.968 | 18.44 | 147 |
| Qualified XII (0.40) | 13,748.585 | 18.35 | 252,287 |
| Qualified XII (0.50) | 331,085.788 | 18.17 | 6,015,829 |
| Qualified XII (0.55) | 7,642.998 | 18.09 | 138,262 |
| Qualified XII (0.60) | 974,104.099 | 18.00 | 17,533,874 |
| Qualified XII (0.65) | 30,904.177 | 17.91 | 553,494 |
| Qualified XII (0.70) | 9,845.201 | 17.83 | 175,540 |
| Qualified XII (0.75) | 30,201.521 | 17.74 | 535,775 |
| Qualified XII (0.80) | 5,883.790 | 17.65 | 103,849 |
| Qualified XII (0.85) | 79,173.996 | 17.57 | 1,391,087 |
| Qualified XII (0.90) | 510.697 | 17.48 | 8,927 |
| Qualified XII (0.95) | 36,572.079 | 17.40 | 636,354 |
| Qualified XII (1.00) | 396,015.027 | 17.32 | 6,858,980 |
| Qualified XII (1.05) | 2,010.442 | 17.23 | 34,640 |
| Qualified XII (1.10) | 8,105.772 | 17.15 | 139,014 |
| Qualified XII (1.15) | 4,082.684 | 17.07 | 69,691 |
| Qualified XII (1.20) | 2,347.118 | 16.98 | 39,854 |
| Qualified XII (1.25) | 26,403.814 | 16.90 | 446,224 |
| Qualified XII (1.30) | 27.885 | 16.82 | 469 |
| Qualified XII (1.40) | 1,501.374 | 16.66 | 25,013 |
| Qualified XII (1.50) | 2.041 | 16.50 | 34 |
| Qualified XIII | 709.790 | 17.40 | 12,350 |
| Qualified XV | 1,445.352 | 17.40 | 25,149 |
| Qualified XVI | 9,505.847 | 16.50 | 156,846 |
| Qualified XVII | 3,329.494 | 16.90 | 56,268 |
| Qualified XVIII | 151.708 | 17.32 | 2,628 |
| Qualified XXI | 7,713.796 | 17.65 | 136,148 |
| Qualified XXXII | 124.832 | 16.03 | 2,001 |
| Qualified XXXVIII | 3,294.646 | 11.25 | 37,065 |
| Qualified XLIII | 14.809 | 10.97 | 162 |
| Qualified LIV | 10,530.381 | 14.37 | 151,322 |
| Qualified LVI | 10,702.756 | 14.77 | 158,080 |
| | <u>2,496,582.643</u> | | <u>\$ 44,006,531</u> |
| ING Baron Small Cap Growth Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 99,080.067 | \$ 12.44 | \$ 1,232,556 |

**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 | | | |
| Currently payable annuity contracts: | 81,660.149 | \$ 16.13 | \$ 1,317,178 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 759.185 | 15.01 | 11,395 |
| ING Custom Choice 65 | 7,195.031 | 13.48 | 96,989 |
| ING MAP PLUS NP1 | 23,472.530 | 16.53 | 388,001 |
| ING MAP PLUS NP4 | 2,747.010 | 16.34 | 44,886 |
| ING MAP PLUS NP5 | 0.005 | 16.27 | - |
| ING MAP PLUS NP6 | 1,442.461 | 16.21 | 23,382 |
| ING MAP PLUS NP8 | 26,236.303 | 16.08 | 421,880 |
| ING MAP PLUS NP9 | 41,894.786 | 16.02 | 671,154 |
| ING MAP PLUS NP11 | 25,239.064 | 15.89 | 401,049 |
| ING MAP PLUS NP12 | 12,758.481 | 15.83 | 201,967 |
| ING MAP PLUS NP13 | 5,675.874 | 15.77 | 89,509 |
| ING MAP PLUS NP14 | 20,622.577 | 15.71 | 323,981 |
| ING MAP PLUS NP15 | 26,239.611 | 15.64 | 410,388 |
| ING MAP PLUS NP16 | 2,015.442 | 15.58 | 31,401 |
| ING MAP PLUS NP17 | 23,623.332 | 15.52 | 366,634 |
| ING MAP PLUS NP18 | 1,248.111 | 15.46 | 19,296 |
| ING MAP PLUS NP19 | 9,476.225 | 15.40 | 145,934 |
| ING MAP PLUS NP20 | 5,466.991 | 15.34 | 83,864 |
| ING MAP PLUS NP21 | 10,864.410 | 15.28 | 166,008 |
| ING MAP PLUS NP22 | 1,538.625 | 15.22 | 23,418 |
| ING MAP PLUS NP23 | 6,990.356 | 15.16 | 105,974 |
| ING MAP PLUS NP24 | 2,404.442 | 15.10 | 36,307 |
| ING MAP PLUS NP25 | 1,801.984 | 15.04 | 27,102 |
| ING MAP PLUS NP26 | 1,340.991 | 14.98 | 20,088 |
| ING MAP PLUS NP27 | 380.851 | 14.92 | 5,682 |
| ING MAP PLUS NP28 | 1,530.670 | 14.86 | 22,746 |
| ING MAP PLUS NP29 | 514.299 | 14.80 | 7,612 |
| ING MAP PLUS NP30 | 4.558 | 14.74 | 67 |
| ING MAP PLUS NP32 | 125.830 | 14.63 | 1,841 |
| Qualified VI | 1,007,776.972 | 17.87 | 18,008,974 |
| Qualified X (1.15) | 52,256.474 | 18.05 | 943,229 |
| Qualified X (1.25) | 82,602.061 | 17.87 | 1,476,099 |
| Qualified XII (0.00) | 5,323.935 | 20.17 | 107,384 |
| Qualified XII (0.05) | 41,513.184 | 19.93 | 827,358 |
| Qualified XII (0.10) | 211.236 | 19.98 | 4,220 |
| Qualified XII (0.20) | 25,994.009 | 19.78 | 514,161 |
| Qualified XII (0.25) | 3,231.100 | 19.69 | 63,620 |
| Qualified XII (0.30) | 15,243.476 | 19.59 | 298,620 |
| Qualified XII (0.35) | 171.834 | 19.50 | 3,351 |
| Qualified XII (0.40) | 58,702.266 | 19.40 | 1,138,824 |
| Qualified XII (0.50) | 1,352,670.336 | 19.22 | 25,998,324 |
| Qualified XII (0.55) | 64,841.651 | 19.12 | 1,239,772 |
| Qualified XII (0.60) | 769,737.415 | 19.03 | 14,648,103 |
| Qualified XII (0.65) | 64,830.516 | 18.94 | 1,227,890 |
| Qualified XII (0.70) | 49,702.605 | 18.85 | 936,894 |
| Qualified XII (0.75) | 183,780.818 | 18.76 | 3,447,728 |

**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 (0.80) | 57,241.325 | \$ 18.67 | \$ 1,068,696 |
| Qualified XII (0.85) | 234,209.488 | 18.58 | 4,351,612 |
| Qualified XII (0.90) | 19,458.069 | 18.49 | 359,780 |
| Qualified XII (0.95) | 160,645.112 | 18.40 | 2,955,870 |
| Qualified XII (1.00) | 491,851.604 | 18.31 | 9,005,803 |
| Qualified XII (1.05) | 18,320.820 | 18.22 | 333,805 |
| Qualified XII (1.10) | 32,429.057 | 18.13 | 587,939 |
| Qualified XII (1.15) | 33,083.663 | 18.05 | 597,160 |
| Qualified XII (1.20) | 9,648.628 | 17.96 | 173,289 |
| Qualified XII (1.25) | 47,650.973 | 17.87 | 851,523 |
| Qualified XII (1.30) | 1,478.745 | 17.78 | 26,292 |
| Qualified XII (1.35) | 84.364 | 17.70 | 1,493 |
| Qualified XII (1.40) | 2,951.280 | 17.61 | 51,972 |
| Qualified XII (1.45) | 75.325 | 17.53 | 1,320 |
| Qualified XII (1.50) | 412.446 | 17.44 | 7,193 |
| Qualified XIII | 996.607 | 18.40 | 18,338 |
| Qualified XV | 588.673 | 18.40 | 10,832 |
| Qualified XVI | 30,774.794 | 17.44 | 536,712 |
| Qualified XVII | 533.554 | 17.87 | 9,535 |
| Qualified XVIII | 292.432 | 18.31 | 5,354 |
| Qualified XXI | 19,261.050 | 18.67 | 359,604 |
| Qualified XXVII | 764,202.645 | 20.75 | 15,857,205 |
| Qualified XXVIII | 683,062.653 | 9.80 | 6,694,014 |
| Qualified XXXII | 251.986 | 15.97 | 4,024 |
| Qualified XXXIII (0.65) | 25,481.961 | 19.25 | 490,528 |
| Qualified XXXIV | 580.231 | 9.66 | 5,605 |
| Qualified XXXVIII | 3,155.453 | 9.93 | 31,334 |
| Qualified XLIII | 2,080.333 | 9.68 | 20,138 |
| Qualified LIV | 38,716.490 | 13.22 | 511,832 |
| Qualified LVI | 24,366.127 | 13.59 | 331,136 |
| | <u>6,827,745.960</u> | | <u>\$ 121,610,222</u> |
| ING Columbia Small Cap Value II Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 25,181.380 | \$ 9.29 | \$ 233,935 |
| ING Columbia Small Cap Value II Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 94.218 | \$ 9.76 | \$ 920 |
| ING Custom Choice 65 | 1,344.695 | 10.25 | 13,783 |
| ING MAP PLUS NP9 | 86.758 | 10.24 | 888 |
| ING MAP PLUS NP14 | 1,620.047 | 10.10 | 16,362 |
| ING MAP PLUS NP17 | 108.581 | 10.01 | 1,087 |
| ING MAP PLUS NP19 | 6,553.549 | 9.95 | 65,208 |
| ING MAP PLUS NP23 | 170.388 | 9.84 | 1,677 |
| Qualified VI | 118,480.931 | 9.76 | 1,156,374 |
| Qualified XII (0.30) | 2,293.451 | 10.30 | 23,623 |
| Qualified XII (0.40) | 4,080.504 | 10.24 | 41,784 |
| Qualified XII (0.50) | 8,990.419 | 10.18 | 91,522 |

**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) | 7,220.579 | \$ 10.15 | \$ 73,289 |
| Qualified XII (0.60) | 322.725 | 10.12 | 3,266 |
| Qualified XII (0.65) | 6,928.564 | 10.10 | 69,978 |
| Qualified XII (0.70) | 7,240.484 | 10.07 | 72,912 |
| Qualified XII (0.75) | 31,397.260 | 10.04 | 315,228 |
| Qualified XII (0.80) | 3,730.218 | 10.01 | 37,339 |
| Qualified XII (0.85) | 24,662.017 | 9.98 | 246,127 |
| Qualified XII (0.90) | 151.134 | 9.95 | 1,504 |
| Qualified XII (0.95) | 14,256.039 | 9.93 | 141,562 |
| Qualified XII (1.00) | 33,009.972 | 9.90 | 326,799 |
| Qualified XII (1.05) | 1,434.935 | 9.87 | 14,163 |
| Qualified XII (1.10) | 4,946.422 | 9.84 | 48,673 |
| Qualified XII (1.15) | 7,856.167 | 9.81 | 77,069 |
| Qualified XII (1.20) | 367.384 | 9.79 | 3,597 |
| Qualified XII (1.25) | 15,019.112 | 9.76 | 146,587 |
| Qualified XII (1.30) | 0.454 | 9.73 | 4 |
| Qualified XII (1.40) | 54.305 | 9.68 | 526 |
| Qualified XII (1.50) | 79.467 | 9.62 | 764 |
| Qualified XVI | 2,066.976 | 9.62 | 19,884 |
| Qualified XXXVIII | 829.248 | 9.55 | 7,919 |
| Qualified XLIII | 55.464 | 9.31 | 516 |
| Qualified LIV | 2,332.189 | 10.06 | 23,462 |
| Qualified LVI | 4,690.872 | 10.34 | 48,504 |
| | <u>312,475.528</u> | | <u>\$ 3,092,900</u> |
| ING Davis New York Venture Portfolio - Service Class | | | |
| Currently payable annuity contracts: | 8,263.060 | \$ 11.00 | \$ 90,894 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 545.967 | 10.60 | 5,787 |
| ING Custom Choice 65 | 2,548.958 | 11.00 | 28,039 |
| ING MAP PLUS NP1 | 4,493.223 | 11.04 | 49,605 |
| ING MAP PLUS NP5 | 0.013 | 10.86 | - |
| ING MAP PLUS NP8 | 35,941.855 | 10.73 | 385,656 |
| ING MAP PLUS NP9 | 2,037.376 | 10.69 | 21,780 |
| ING MAP PLUS NP11 | 4,697.905 | 10.61 | 49,845 |
| ING MAP PLUS NP13 | 734.509 | 10.52 | 7,727 |
| ING MAP PLUS NP14 | 6,047.188 | 10.48 | 63,375 |
| ING MAP PLUS NP15 | 1,588.725 | 10.44 | 16,586 |
| ING MAP PLUS NP17 | 944.904 | 10.36 | 9,789 |
| ING MAP PLUS NP18 | 3,759.329 | 10.32 | 38,796 |
| ING MAP PLUS NP19 | 6,524.314 | 10.28 | 67,070 |
| ING MAP PLUS NP20 | 882.782 | 10.24 | 9,040 |
| ING MAP PLUS NP21 | 738.981 | 10.20 | 7,538 |
| ING MAP PLUS NP23 | 1,314.398 | 10.12 | 13,302 |
| ING MAP PLUS NP25 | 107.325 | 10.04 | 1,078 |
| ING MAP PLUS NP26 | 2,993.087 | 10.00 | 29,931 |
| ING MAP PLUS NP28 | 534.322 | 9.92 | 5,300 |
| ING MAP PLUS NP30 | 420.652 | 9.84 | 4,139 |
| Qualified VI | 243,546.187 | 17.07 | 4,157,333 |

**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 X (1.15) | 9,259.207 | \$ 11.10 | \$ 102,777 |
| Qualified X (1.25) | 17,199.451 | 10.73 | 184,550 |
| Qualified XII (0.00) | 933.662 | 19.38 | 18,094 |
| Qualified XII (0.20) | 3,663.595 | 18.99 | 69,572 |
| Qualified XII (0.25) | 135.993 | 18.90 | 2,570 |
| Qualified XII (0.30) | 6,097.400 | 18.80 | 114,631 |
| Qualified XII (0.35) | 5.807 | 18.71 | 109 |
| Qualified XII (0.40) | 15,739.854 | 18.61 | 292,919 |
| Qualified XII (0.50) | 47,339.821 | 18.42 | 872,000 |
| Qualified XII (0.55) | 4,596.134 | 18.33 | 84,247 |
| Qualified XII (0.60) | 3,759.189 | 18.24 | 68,568 |
| Qualified XII (0.65) | 28,684.365 | 18.14 | 520,334 |
| Qualified XII (0.70) | 4,960.793 | 18.05 | 89,542 |
| Qualified XII (0.75) | 35,214.286 | 17.96 | 632,449 |
| Qualified XII (0.80) | 5,468.937 | 17.87 | 97,730 |
| Qualified XII (0.85) | 33,071.930 | 17.78 | 588,019 |
| Qualified XII (0.90) | 2,061.244 | 17.69 | 36,463 |
| Qualified XII (0.95) | 48,547.699 | 17.60 | 854,440 |
| Qualified XII (1.00) | 72,715.121 | 17.51 | 1,273,242 |
| Qualified XII (1.05) | 3,800.788 | 17.42 | 66,210 |
| Qualified XII (1.10) | 6,766.137 | 17.33 | 117,257 |
| Qualified XII (1.15) | 2,025.852 | 17.25 | 34,946 |
| Qualified XII (1.20) | 2,661.626 | 17.16 | 45,674 |
| Qualified XII (1.25) | 18,603.889 | 17.07 | 317,568 |
| Qualified XII (1.30) | 395.866 | 16.99 | 6,726 |
| Qualified XII (1.40) | 1,026.718 | 16.82 | 17,269 |
| Qualified XII (1.45) | 918.740 | 16.73 | 15,371 |
| Qualified XIII | 863.495 | 17.60 | 15,198 |
| Qualified XV | 2,525.183 | 17.60 | 44,443 |
| Qualified XVI | 5,037.589 | 16.65 | 83,876 |
| Qualified XVII | 1,097.918 | 17.07 | 18,741 |
| Qualified XVIII | 293.869 | 11.26 | 3,309 |
| Qualified XXXIV | 580.691 | 8.15 | 4,733 |
| Qualified XXXVIII | 3,779.384 | 8.37 | 31,633 |
| Qualified XLIII | 30.401 | 8.16 | 248 |
| Qualified LIV | 2,458.658 | 10.79 | 26,529 |
| Qualified LVI | 9,076.590 | 11.09 | 100,659 |
| | <u>730,062.942</u> | | <u>\$ 11,915,256</u> |
| ING Fidelity® VIP Mid Cap Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XII (0.00) | 314.850 | \$ 11.82 | \$ 3,722 |
| Qualified XII (0.50) | <u>692,126.659</u> | 11.51 | <u>7,966,378</u> |
| | <u>692,441.509</u> | | <u>\$ 7,970,100</u> |
| ING Global Bond Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 29,461.675 | \$ 14.02 | \$ 413,053 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|---------------|--------------------|-----------------------|
| ING Global Bond Portfolio - Initial Class | | | |
| Currently payable annuity contracts: | 242,746.373 | \$13.03 to \$13.95 | \$ 3,382,270 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 65 | 8,695.563 | 14.48 | 125,912 |
| Qualified V | 1,020.080 | 13.37 | 13,638 |
| Qualified VI | 2,370,465.136 | 13.51 | 32,024,984 |
| Qualified VIII | 2,061.438 | 13.51 | 27,850 |
| Qualified X (1.15) | 144,898.843 | 13.61 | 1,972,073 |
| Qualified X (1.25) | 165,579.952 | 13.51 | 2,236,985 |
| Qualified XII (0.00) | 16,132.941 | 14.91 | 240,542 |
| Qualified XII (0.05) | 142,622.477 | 14.91 | 2,126,501 |
| Qualified XII (0.20) | 121,079.833 | 14.69 | 1,778,663 |
| Qualified XII (0.25) | 150,574.033 | 14.64 | 2,204,404 |
| Qualified XII (0.30) | 17,157.326 | 14.59 | 250,325 |
| Qualified XII (0.35) | 2,736.922 | 14.54 | 39,795 |
| Qualified XII (0.40) | 148,953.509 | 14.49 | 2,158,336 |
| Qualified XII (0.45) | 10.543 | 14.43 | 152 |
| Qualified XII (0.50) | 658,923.330 | 14.39 | 9,481,907 |
| Qualified XII (0.55) | 85,904.275 | 14.33 | 1,231,008 |
| Qualified XII (0.60) | 57,057.785 | 14.27 | 814,215 |
| Qualified XII (0.65) | 556,579.931 | 14.22 | 7,914,567 |
| Qualified XII (0.70) | 148,490.144 | 14.17 | 2,104,105 |
| Qualified XII (0.75) | 311,903.989 | 14.11 | 4,400,965 |
| Qualified XII (0.80) | 341,046.266 | 14.09 | 4,805,342 |
| Qualified XII (0.85) | 520,264.717 | 14.04 | 7,304,517 |
| Qualified XII (0.90) | 22,164.182 | 13.99 | 310,077 |
| Qualified XII (0.95) | 435,066.054 | 13.94 | 6,064,821 |
| Qualified XII (1.00) | 1,463,499.223 | 13.89 | 20,328,004 |
| Qualified XII (1.05) | 68,854.186 | 13.84 | 952,942 |
| Qualified XII (1.10) | 91,392.642 | 13.79 | 1,260,305 |
| Qualified XII (1.15) | 36,902.916 | 13.74 | 507,046 |
| Qualified XII (1.20) | 30,080.307 | 13.69 | 411,799 |
| Qualified XII (1.25) | 154,365.216 | 13.64 | 2,105,542 |
| Qualified XII (1.30) | 5,490.029 | 13.60 | 74,664 |
| Qualified XII (1.35) | 116.016 | 13.60 | 1,578 |
| Qualified XII (1.40) | 17,779.316 | 13.56 | 241,088 |
| Qualified XII (1.45) | 3,915.530 | 13.50 | 52,860 |
| Qualified XII (1.50) | 1,076.066 | 13.44 | 14,462 |
| Qualified XIII | 3,410.069 | 13.80 | 47,059 |
| Qualified XV | 14,824.221 | 13.80 | 204,574 |
| Qualified XVI | 81,725.986 | 13.28 | 1,085,321 |
| Qualified XVII | 4,590.272 | 13.51 | 62,015 |
| Qualified XVIII | 7,351.520 | 13.51 | 99,319 |
| Qualified XXI | 30,118.206 | 13.94 | 419,848 |
| Qualified XXVII | 1,339,299.890 | 13.91 | 18,629,661 |
| Qualified XXVIII | 845,250.208 | 13.93 | 11,774,335 |
| Qualified XXXII | 3,031.942 | 13.51 | 40,962 |
| Qualified XXXIII (0.65) | 53,122.442 | 14.08 | 747,964 |
| Qualified XXXIV | 23,172.586 | 12.12 | 280,852 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|-----------------------|-------------------|-----------------------|
| ING Global Bond Portfolio - Initial Class (continued) | | | |
| Qualified XXXVI | 8,778.804 | \$ 14.18 | \$ 124,483 |
| Qualified XXXVIII | 45,989.201 | 12.45 | 572,566 |
| Qualified XLIII | 1,463.436 | 12.14 | 17,766 |
| Qualified LIV | 67,712.592 | 14.21 | 962,196 |
| Qualified LVI | 93,882.363 | 14.61 | 1,371,621 |
| Qualified LIX | 9,537.315 | 14.27 | 136,097 |
| | <u>11,178,868.142</u> | | <u>\$ 155,540,883</u> |
| ING Global Bond Portfolio - Service Class | | | |
| Currently payable annuity contracts: | 937.971 | \$ 13.18 | \$ 12,362 |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP6 | 5,187.083 | 12.60 | 65,357 |
| ING MAP PLUS NP8 | 72.927 | 12.54 | 915 |
| ING MAP PLUS NP10 | 4,433.259 | 12.48 | 55,327 |
| ING MAP PLUS NP11 | 9,481.314 | 12.45 | 118,042 |
| ING MAP PLUS NP12 | 11,281.065 | 12.42 | 140,111 |
| ING MAP PLUS NP13 | 675.106 | 12.40 | 8,371 |
| ING MAP PLUS NP14 | 6,990.256 | 12.37 | 86,469 |
| ING MAP PLUS NP16 | 10,977.478 | 12.31 | 135,133 |
| ING MAP PLUS NP17 | 3,841.577 | 12.28 | 47,175 |
| ING MAP PLUS NP18 | 856.041 | 12.25 | 10,487 |
| ING MAP PLUS NP19 | 3,970.488 | 12.22 | 48,519 |
| ING MAP PLUS NP21 | 716.826 | 12.17 | 8,724 |
| ING MAP PLUS NP22 | 2,911.396 | 12.14 | 35,344 |
| ING MAP PLUS NP23 | 4,506.273 | 12.11 | 54,571 |
| ING MAP PLUS NP26 | 3,617.361 | 12.03 | 43,517 |
| ING MAP PLUS NP28 | 865.416 | 11.97 | 10,359 |
| ING MAP PLUS NP29 | 886.317 | 11.94 | 10,583 |
| | <u>72,208.154</u> | | <u>\$ 891,366</u> |
| ING Index Solution 2015 Portfolio - Initial Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 127.112 | \$ 10.70 | \$ 1,360 |
| Qualified XII (0.95) | 156.761 | 13.08 | 2,050 |
| Qualified XII (1.00) | 372.035 | 13.07 | 4,862 |
| Qualified XII (1.40) | 235.431 | 12.98 | 3,056 |
| | <u>891.339</u> | | <u>\$ 11,328</u> |
| ING Index Solution 2015 Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Educator's Direct | 12,077.195 | \$ 10.86 | \$ 131,158 |
| Qualified XII (0.75) | 32,327.156 | 13.01 | 420,576 |
| | <u>44,404.351</u> | | <u>\$ 551,734</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 Index Solution 2015 Portfolio - Service 2 Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP5 | 0.013 | \$ 11.16 | \$ - |
| ING MAP PLUS NP14 | 39,734.790 | 11.07 | 439,864 |
| ING MAP PLUS NP15 | 2,855.182 | 11.06 | 31,578 |
| ING MAP PLUS NP17 | 3,942.546 | 11.04 | 43,526 |
| ING MAP PLUS NP18 | 1,142.929 | 11.03 | 12,607 |
| ING MAP PLUS NP22 | 1,414.116 | 10.99 | 15,541 |
| ING MAP PLUS NP23 | 5,982.935 | 10.97 | 65,633 |
| ING MAP PLUS NP24 | 2,095.939 | 10.96 | 22,971 |
| ING MAP PLUS NP25 | 131.500 | 10.95 | 1,440 |
| ING MAP PLUS NP26 | 2,309.022 | 10.94 | 25,261 |
| ING MAP PLUS NP28 | 1,323.764 | 10.92 | 14,456 |
| ING MAP PLUS NP29 | 8,418.540 | 10.91 | 91,846 |
| ING MAP PLUS NP30 | 375.528 | 10.90 | 4,093 |
| ING MAP PLUS NP32 | 2,663.026 | 10.88 | 28,974 |
| | <u>72,389.830</u> | | <u>\$ 797,790</u> |
| ING Index Solution 2025 Portfolio - Initial Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 835.930 | \$ 10.86 | \$ 9,078 |
| Qualified XII (0.95) | 665.958 | 13.48 | 8,977 |
| Qualified XII (1.00) | 420.201 | 13.47 | 5,660 |
| Qualified XII (1.40) | 4,023.459 | 13.38 | 53,834 |
| | <u>5,945.548</u> | | <u>\$ 77,549</u> |
| ING Index Solution 2025 Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Educator's Direct | 1,051.415 | \$ 11.00 | \$ 11,566 |
| Qualified XII (0.75) | 2,776.638 | 13.40 | 37,207 |
| | <u>3,828.053</u> | | <u>\$ 48,773</u> |
| ING Index Solution 2025 Portfolio - Service 2 Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP5 | 76.045 | \$ 11.36 | \$ 864 |
| ING MAP PLUS NP8 | 2,076.001 | 11.32 | 23,500 |
| ING MAP PLUS NP14 | 40,644.892 | 11.26 | 457,661 |
| ING MAP PLUS NP15 | 82,393.837 | 11.25 | 926,931 |
| ING MAP PLUS NP17 | 10,996.502 | 11.23 | 123,491 |
| ING MAP PLUS NP18 | 2,015.389 | 11.22 | 22,613 |
| ING MAP PLUS NP22 | 9,890.276 | 11.17 | 110,474 |
| ING MAP PLUS NP23 | 17,740.866 | 11.16 | 197,988 |
| ING MAP PLUS NP25 | 963.750 | 11.14 | 10,736 |
| ING MAP PLUS NP26 | 2,725.101 | 11.13 | 30,330 |
| ING MAP PLUS NP28 | 50.302 | 11.11 | 559 |
| ING MAP PLUS NP29 | 6,134.159 | 11.10 | 68,089 |
| ING MAP PLUS NP32 | 2,691.897 | 11.07 | 29,799 |
| | <u>178,399.017</u> | | <u>\$ 2,003,035</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 2035 Portfolio - Initial Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XII (0.95) | 300.300 | \$ 13.63 | \$ 4,093 |
| Qualified XII (1.00) | 65.364 | 13.62 | 890 |
| Qualified XII (1.40) | 2,738.327 | 13.53 | 37,050 |
| | <u>3,103.991</u> | | <u>\$ 42,033</u> |
| ING Index Solution 2035 Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Educator's Direct | 5,416.832 | \$ 10.98 | \$ 59,477 |
| Qualified XII (0.75) | 1,529.310 | 13.57 | 20,753 |
| | <u>6,946.142</u> | | <u>\$ 80,230</u> |
| ING Index Solution 2035 Portfolio - Service 2 Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP3 | 1,939.155 | \$ 11.38 | \$ 22,068 |
| ING MAP PLUS NP8 | 45.557 | 11.32 | 516 |
| ING MAP PLUS NP13 | 225.966 | 11.27 | 2,547 |
| ING MAP PLUS NP14 | 26,403.573 | 11.26 | 297,304 |
| ING MAP PLUS NP15 | 59,367.516 | 11.25 | 667,885 |
| ING MAP PLUS NP17 | 5,569.046 | 11.23 | 62,540 |
| ING MAP PLUS NP18 | 7,655.142 | 11.22 | 85,891 |
| ING MAP PLUS NP20 | 331.467 | 11.19 | 3,709 |
| ING MAP PLUS NP22 | 9,646.839 | 11.17 | 107,755 |
| ING MAP PLUS NP23 | 19,601.422 | 11.16 | 218,752 |
| ING MAP PLUS NP25 | 48.338 | 11.14 | 538 |
| ING MAP PLUS NP26 | 937.125 | 11.13 | 10,430 |
| ING MAP PLUS NP28 | 409.003 | 11.11 | 4,544 |
| ING MAP PLUS NP29 | 4,779.475 | 11.10 | 53,052 |
| ING MAP PLUS NP32 | 1,778.083 | 11.07 | 19,683 |
| | <u>138,737.707</u> | | <u>\$ 1,557,214</u> |
| ING Index Solution 2045 Portfolio - Initial Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XII (0.95) | 455.496 | \$ 13.94 | \$ 6,350 |
| Qualified XII (1.40) | 761.732 | 13.85 | 10,550 |
| | <u>1,217.228</u> | | <u>\$ 16,900</u> |
| ING Index Solution 2045 Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Educator's Direct | 761.160 | \$ 11.08 | \$ 8,434 |
| Qualified XII (0.75) | 248.291 | 13.87 | 3,444 |
| Qualified XII (0.80) | 497.126 | 13.86 | 6,890 |
| | <u>1,506.577</u> | | <u>\$ 18,768</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 2045 Portfolio - Service 2 Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP3 | 4,985.914 | \$ 11.47 | \$ 57,188 |
| ING MAP PLUS NP5 | 496.320 | 11.45 | 5,683 |
| ING MAP PLUS NP13 | 356.068 | 11.37 | 4,048 |
| ING MAP PLUS NP14 | 9,413.523 | 11.36 | 106,938 |
| ING MAP PLUS NP15 | 43,502.236 | 11.34 | 493,315 |
| ING MAP PLUS NP17 | 3,800.110 | 11.32 | 43,017 |
| ING MAP PLUS NP18 | 4,065.680 | 11.31 | 45,983 |
| ING MAP PLUS NP20 | 527.488 | 11.29 | 5,955 |
| ING MAP PLUS NP22 | 3,296.544 | 11.27 | 37,152 |
| ING MAP PLUS NP23 | 3,330.818 | 11.26 | 37,505 |
| ING MAP PLUS NP24 | 789.725 | 11.25 | 8,884 |
| ING MAP PLUS NP25 | 46.208 | 11.24 | 519 |
| ING MAP PLUS NP26 | 297.974 | 11.23 | 3,346 |
| ING MAP PLUS NP28 | 1,575.378 | 11.21 | 17,660 |
| ING MAP PLUS NP29 | 2,312.107 | 11.19 | 25,872 |
| ING MAP PLUS NP32 | 2,646.313 | 11.16 | 29,533 |
| | <u>81,442.406</u> | | <u>\$ 922,598</u> |
| ING Index Solution 2055 Portfolio - Initial Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XII (0.95) | 35.132 | \$ 10.98 | \$ 386 |
| ING Index Solution 2055 Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Educator's Direct | 1,504.823 | \$ 11.10 | \$ 16,704 |
| Qualified VI | 2,299.722 | 10.87 | 24,998 |
| Qualified XII (0.25) | 8.697 | 11.05 | 96 |
| Qualified XII (0.95) | 852.988 | 10.93 | 9,323 |
| Qualified XII (1.25) | 723.246 | 10.87 | 7,862 |
| Qualified LIV | 98.553 | 10.95 | 1,079 |
| Qualified LVI | 369.892 | 11.05 | 4,087 |
| | <u>5,857.921</u> | | <u>\$ 64,149</u> |
| ING Index Solution 2055 Portfolio - Service 2 Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP13 | 66.397 | \$ 10.97 | \$ 728 |
| ING MAP PLUS NP15 | 2,790.738 | 10.95 | 30,559 |
| ING MAP PLUS NP17 | 31.710 | 10.94 | 347 |
| ING MAP PLUS NP18 | 38.640 | 10.93 | 422 |
| ING MAP PLUS NP20 | 79.635 | 10.91 | 869 |
| ING MAP PLUS NP23 | 450.888 | 10.88 | 4,906 |
| ING MAP PLUS NP24 | 1,356.969 | 10.87 | 14,750 |
| | <u>4,814.977</u> | | <u>\$ 52,581</u> |
| ING Index Solution Income Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Educator's Direct | 127.249 | \$ 10.84 | \$ 1,379 |
| Qualified XII (0.80) | 51,083.840 | 12.59 | 643,146 |
| | <u>51,211.089</u> | | <u>\$ 644,525</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 Index Solution Income Portfolio - Service 2 Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP13 | 127.312 | \$ 10.97 | \$ 1,397 |
| ING MAP PLUS NP14 | 337.397 | 10.96 | 3,698 |
| ING MAP PLUS NP15 | 9,932.633 | 10.95 | 108,762 |
| ING MAP PLUS NP17 | 29.951 | 10.93 | 327 |
| ING MAP PLUS NP20 | 185.742 | 10.90 | 2,025 |
| ING MAP PLUS NP22 | 3,789.120 | 10.88 | 41,226 |
| ING MAP PLUS NP26 | 117.212 | 10.84 | 1,271 |
| ING MAP PLUS NP29 | 837.108 | 10.81 | 9,049 |
| ING MAP PLUS NP30 | 11.272 | 10.80 | 122 |
| ING MAP PLUS NP32 | 1,701.883 | 10.78 | 18,346 |
| | <u>17,069.630</u> | | <u>\$ 186,223</u> |
| ING Invesco Van Kampen Comstock Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 28,385.539 | \$ 10.45 | \$ 296,629 |
| ING Invesco Van Kampen Comstock Portfolio - Service Class | | | |
| Currently payable annuity contracts: | 97,078.027 | \$10.79 to \$12.34 | \$ 1,193,577 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 5,917.311 | 11.46 | 67,812 |
| ING Custom Choice 65 | 5,991.720 | 10.91 | 65,370 |
| ING MAP PLUS NP1 | 15,264.592 | 12.23 | 186,686 |
| ING MAP PLUS NP8 | 4,053.793 | 11.90 | 48,240 |
| ING MAP PLUS NP9 | 42,218.138 | 11.85 | 500,285 |
| ING MAP PLUS NP11 | 25,858.987 | 11.75 | 303,843 |
| ING MAP PLUS NP13 | 1,694.128 | 11.66 | 19,754 |
| ING MAP PLUS NP14 | 73.005 | 11.62 | 848 |
| ING MAP PLUS NP15 | 2,691.049 | 11.57 | 31,135 |
| ING MAP PLUS NP17 | 6,815.768 | 11.48 | 78,245 |
| ING MAP PLUS NP19 | 9,265.375 | 11.39 | 105,533 |
| ING MAP PLUS NP20 | 2,106.637 | 11.34 | 23,889 |
| ING MAP PLUS NP21 | 5,753.330 | 11.30 | 65,013 |
| ING MAP PLUS NP23 | 996.436 | 11.21 | 11,170 |
| ING MAP PLUS NP25 | 32.446 | 11.12 | 361 |
| ING MAP PLUS NP28 | 71.630 | 10.99 | 787 |
| ING MAP PLUS NP30 | 586.763 | 10.90 | 6,396 |
| Qualified VI | 881,821.585 | 12.12 | 10,687,678 |
| Qualified X (1.15) | 33,284.056 | 12.23 | 407,064 |
| Qualified X (1.25) | 140,584.731 | 12.12 | 1,703,887 |
| Qualified XII (0.00) | 316.268 | 13.67 | 4,323 |
| Qualified XII (0.10) | 148.424 | 13.54 | 2,010 |
| Qualified XII (0.20) | 4,716.728 | 13.41 | 63,251 |
| Qualified XII (0.30) | 17,983.152 | 13.28 | 238,816 |
| Qualified XII (0.35) | 549.755 | 13.22 | 7,268 |
| Qualified XII (0.40) | 47,475.433 | 13.15 | 624,302 |
| Qualified XII (0.50) | 87,184.730 | 13.03 | 1,136,017 |
| Qualified XII (0.55) | 26,357.762 | 12.96 | 341,597 |
| Qualified XII (0.60) | 11,247.693 | 12.90 | 145,095 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|----------------------|--------------------|-----------------------|
| ING Invesco Van Kampen Comstock Portfolio - Service Class (continued) | | | |
| Qualified XII (0.65) | 203,815.776 | \$ 12.84 | \$ 2,616,995 |
| Qualified XII (0.70) | 31,388.642 | 12.78 | 401,147 |
| Qualified XII (0.75) | 173,061.263 | 12.72 | 2,201,339 |
| Qualified XII (0.80) | 61,937.550 | 12.65 | 783,510 |
| Qualified XII (0.85) | 192,604.569 | 12.59 | 2,424,892 |
| Qualified XII (0.90) | 43,308.940 | 12.53 | 542,661 |
| Qualified XII (0.95) | 116,818.996 | 12.47 | 1,456,733 |
| Qualified XII (1.00) | 469,212.057 | 12.41 | 5,822,922 |
| Qualified XII (1.05) | 13,742.219 | 12.35 | 169,716 |
| Qualified XII (1.10) | 33,538.714 | 12.29 | 412,191 |
| Qualified XII (1.15) | 17,880.478 | 12.23 | 218,678 |
| Qualified XII (1.20) | 2,701.700 | 12.17 | 32,880 |
| Qualified XII (1.25) | 60,978.781 | 12.12 | 739,063 |
| Qualified XII (1.30) | 2,830.682 | 12.06 | 34,138 |
| Qualified XII (1.35) | 0.824 | 12.00 | 10 |
| Qualified XII (1.40) | 2,825.776 | 11.94 | 33,740 |
| Qualified XII (1.45) | 259.284 | 11.88 | 3,080 |
| Qualified XII (1.50) | 489.399 | 11.83 | 5,790 |
| Qualified XV | 841.009 | 12.47 | 10,487 |
| Qualified XVI | 24,468.306 | 11.83 | 289,460 |
| Qualified XVII | 1,138.901 | 12.12 | 13,803 |
| Qualified XVIII | 1,440.633 | 12.41 | 17,878 |
| Qualified XXVII | 631,812.689 | 14.49 | 9,154,966 |
| Qualified XXXII | 2,823.116 | 11.92 | 33,652 |
| Qualified XXXIII (0.65) | 19,674.791 | 13.05 | 256,756 |
| Qualified XXXIV | 830.510 | 8.53 | 7,084 |
| Qualified XXXVIII | 42,418.594 | 8.77 | 372,011 |
| Qualified XLIII | 1,969.489 | 8.55 | 16,839 |
| Qualified LIV | 36,474.061 | 10.71 | 390,637 |
| Qualified LVI | 12,455.274 | 11.01 | 137,133 |
| | <u>3,681,882.475</u> | | <u>\$ 46,670,443</u> |
| ING Invesco Van Kampen Equity and Income Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 54,996.397 | \$ 11.80 | \$ 648,957 |
| ING Invesco Van Kampen Equity and Income Portfolio - Initial Class | | | |
| Currently payable annuity contracts: | 303,016.314 | \$11.54 to \$12.35 | \$ 3,735,397 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 65 | 21,645.526 | 13.03 | 282,041 |
| Qualified V | 3,287.897 | 11.95 | 39,290 |
| Qualified VI | 5,689,722.697 | 12.08 | 68,731,850 |
| Qualified VIII | 4,123.087 | 12.08 | 49,807 |
| Qualified X (1.15) | 457,038.231 | 12.17 | 5,562,155 |
| Qualified X (1.25) | 505,095.409 | 12.08 | 6,101,553 |
| Qualified XII (0.00) | 63,615.292 | 13.17 | 837,813 |
| Qualified XII (0.05) | 94,819.777 | 13.67 | 1,296,186 |
| Qualified XII (0.10) | 607.086 | 13.08 | 7,941 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---|-----------------------|-------------------|-----------------------|
| ING Invesco Van Kampen Equity and Income Portfolio - Initial Class (continued) | | | |
| Qualified XII (0.20) | 408,236.029 | \$ 13.40 | \$ 5,470,363 |
| Qualified XII (0.25) | 855,441.050 | 13.37 | 11,437,247 |
| Qualified XII (0.30) | 27,526.552 | 12.90 | 355,093 |
| Qualified XII (0.35) | 10,402.606 | 13.27 | 138,043 |
| Qualified XII (0.40) | 276,946.980 | 13.21 | 3,658,470 |
| Qualified XII (0.50) | 317,644.108 | 13.19 | 4,189,726 |
| Qualified XII (0.55) | 131,159.850 | 13.05 | 1,711,636 |
| Qualified XII (0.60) | 110,398.037 | 13.01 | 1,436,278 |
| Qualified XII (0.65) | 1,198,021.100 | 12.95 | 15,514,373 |
| Qualified XII (0.70) | 260,078.925 | 12.89 | 3,352,417 |
| Qualified XII (0.75) | 411,801.780 | 12.83 | 5,283,417 |
| Qualified XII (0.80) | 553,106.007 | 12.91 | 7,140,599 |
| Qualified XII (0.85) | 641,966.786 | 12.88 | 8,268,532 |
| Qualified XII (0.90) | 26,491.317 | 12.82 | 339,619 |
| Qualified XII (0.95) | 836,002.312 | 12.79 | 10,692,470 |
| Qualified XII (1.00) | 2,112,686.190 | 12.74 | 26,915,622 |
| Qualified XII (1.05) | 224,469.917 | 12.70 | 2,850,768 |
| Qualified XII (1.10) | 246,727.406 | 12.65 | 3,121,102 |
| Qualified XII (1.15) | 106,339.586 | 12.59 | 1,338,815 |
| Qualified XII (1.20) | 56,343.549 | 12.53 | 705,985 |
| Qualified XII (1.25) | 261,316.776 | 12.50 | 3,266,460 |
| Qualified XII (1.30) | 17,600.888 | 12.46 | 219,307 |
| Qualified XII (1.40) | 29,468.346 | 12.66 | 373,069 |
| Qualified XII (1.45) | 8,137.889 | 11.92 | 97,004 |
| Qualified XII (1.50) | 7,593.428 | 11.88 | 90,210 |
| Qualified XV | 17,497.797 | 12.33 | 215,748 |
| Qualified XVI | 136,364.009 | 11.88 | 1,620,004 |
| Qualified XVIII | 20,489.449 | 12.08 | 247,513 |
| Qualified XXI | 187,343.636 | 12.46 | 2,334,302 |
| Qualified XXVII | 1,159,657.924 | 12.32 | 14,286,986 |
| Qualified XXXII | 26,021.784 | 12.08 | 314,343 |
| Qualified XXXIII (0.65) | 38,499.128 | 12.59 | 484,704 |
| Qualified XXXIV | 58,003.902 | 9.95 | 577,139 |
| Qualified XXXVI | 26,292.700 | 12.68 | 333,391 |
| Qualified XXXVIII | 81,358.686 | 10.23 | 832,299 |
| Qualified XLIII | 4,689.512 | 9.97 | 46,754 |
| Qualified LIV | 56,500.238 | 12.79 | 722,638 |
| Qualified LVI | 141,005.066 | 13.14 | 1,852,807 |
| Qualified LIX | 28,174.980 | 12.76 | 359,513 |
| | <u>18,260,777.541</u> | | <u>\$ 228,838,799</u> |
| ING Invesco Van Kampen Equity and Income Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| Qualified VI | 0.038 | \$ 38.32 | \$ 1 |
| Qualified XII (1.00) | 5,833.587 | 39.30 | 229,260 |
| | <u>5,833.625</u> | | <u>\$ 229,261</u> |

**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 - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 24,632.608 | \$ 12.49 | \$ 307,661 |
| ING JPMorgan Mid Cap Value Portfolio - Service Class | | | |
| Currently payable annuity contracts: | 66,660.515 | \$ 15.52 | \$ 1,034,571 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 1,087.298 | 14.61 | 15,885 |
| ING Custom Choice 65 | 106.068 | 13.44 | 1,426 |
| ING MAP PLUS NP1 | 13,554.164 | 16.06 | 217,680 |
| ING MAP PLUS NP8 | 2,496.874 | 15.62 | 39,001 |
| ING MAP PLUS NP9 | 33,446.796 | 15.56 | 520,432 |
| ING MAP PLUS NP11 | 7,847.446 | 15.43 | 121,086 |
| ING MAP PLUS NP12 | 4.934 | 15.37 | 76 |
| ING MAP PLUS NP13 | 246.448 | 15.31 | 3,773 |
| ING MAP PLUS NP14 | 8,209.375 | 15.25 | 125,193 |
| ING MAP PLUS NP15 | 3,548.063 | 15.19 | 53,895 |
| ING MAP PLUS NP16 | 263.034 | 15.13 | 3,980 |
| ING MAP PLUS NP17 | 8,496.625 | 15.07 | 128,044 |
| ING MAP PLUS NP18 | 3,975.412 | 15.01 | 59,671 |
| ING MAP PLUS NP19 | 8,228.146 | 14.95 | 123,011 |
| ING MAP PLUS NP20 | 1,062.014 | 14.89 | 15,813 |
| ING MAP PLUS NP21 | 8,240.399 | 14.84 | 122,288 |
| ING MAP PLUS NP22 | 67.637 | 14.78 | 1,000 |
| ING MAP PLUS NP23 | 256.142 | 14.72 | 3,770 |
| ING MAP PLUS NP24 | 1,490.111 | 14.66 | 21,845 |
| ING MAP PLUS NP25 | 989.503 | 14.60 | 14,447 |
| ING MAP PLUS NP28 | 1,420.119 | 14.43 | 20,492 |
| ING MAP PLUS NP30 | 421.311 | 14.32 | 6,033 |
| Qualified VI | 525,133.055 | 17.51 | 9,195,080 |
| Qualified VIII | 388.091 | 17.50 | 6,792 |
| Qualified X (1.15) | 22,449.490 | 17.68 | 396,907 |
| Qualified X (1.25) | 86,724.507 | 17.51 | 1,518,546 |
| Qualified XII (0.00) | 3,462.199 | 19.76 | 68,413 |
| Qualified XII (0.05) | 34,709.204 | 19.53 | 677,871 |
| Qualified XII (0.10) | 158.662 | 19.57 | 3,105 |
| Qualified XII (0.20) | 3,971.251 | 19.38 | 76,963 |
| Qualified XII (0.30) | 5,805.432 | 19.20 | 111,464 |
| Qualified XII (0.35) | 1,446.894 | 19.10 | 27,636 |
| Qualified XII (0.40) | 17,571.823 | 19.01 | 334,040 |
| Qualified XII (0.50) | 45,069.465 | 18.83 | 848,658 |
| Qualified XII (0.55) | 12,623.431 | 18.74 | 236,563 |
| Qualified XII (0.60) | 13,315.822 | 18.65 | 248,340 |
| Qualified XII (0.65) | 33,746.926 | 18.56 | 626,343 |
| Qualified XII (0.70) | 26,611.538 | 18.47 | 491,515 |
| Qualified XII (0.75) | 78,124.441 | 18.38 | 1,435,927 |
| Qualified XII (0.80) | 6,391.759 | 18.29 | 116,905 |
| Qualified XII (0.85) | 69,869.646 | 18.20 | 1,271,628 |
| Qualified XII (0.90) | 9,426.596 | 18.11 | 170,716 |

**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 (0.95) | 116,403.125 | \$ 18.03 | \$ 2,098,748 |
| Qualified XII (1.00) | 296,233.550 | 17.94 | 5,314,430 |
| Qualified XII (1.05) | 3,655.272 | 17.85 | 65,247 |
| Qualified XII (1.10) | 21,684.751 | 17.77 | 385,338 |
| Qualified XII (1.15) | 8,575.236 | 17.68 | 151,610 |
| Qualified XII (1.20) | 5,320.857 | 17.59 | 93,594 |
| Qualified XII (1.25) | 22,149.579 | 17.51 | 387,839 |
| Qualified XII (1.30) | 157.964 | 17.42 | 2,752 |
| Qualified XII (1.40) | 2,471.999 | 17.26 | 42,667 |
| Qualified XII (1.45) | 650.783 | 17.17 | 11,174 |
| Qualified XII (1.50) | 215.778 | 17.09 | 3,688 |
| Qualified XIII | 955.091 | 18.03 | 17,220 |
| Qualified XV | 1,899.281 | 18.03 | 34,244 |
| Qualified XVI | 16,974.612 | 17.09 | 290,096 |
| Qualified XVIII | 357.402 | 17.94 | 6,412 |
| Qualified XXI | 8,208.553 | 18.29 | 150,134 |
| Qualified XXXII | 619.362 | 15.23 | 9,433 |
| Qualified XXXIV | 947.714 | 10.00 | 9,477 |
| Qualified XXXVIII | 1,290.730 | 10.28 | 13,269 |
| Qualified XLIII | 227.295 | 10.02 | 2,277 |
| Qualified LIV | 72,068.967 | 13.19 | 950,590 |
| Qualified LVI | 9,342.125 | 13.56 | 126,679 |
| | <u>1,759,528.692</u> | | <u>\$ 30,683,742</u> |
| ING Oppenheimer Global Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 46,270.910 | \$ 11.12 | \$ 514,533 |
| ING Oppenheimer Global Portfolio - Initial Class | | | |
| Currently payable annuity contracts: | 248,808.572 | \$11.86 to \$12.3 | \$ 3,052,216 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 6,196.267 | 12.07 | 74,789 |
| ING Custom Choice 65 | 60,362.104 | 13.13 | 792,554 |
| ING MAP PLUS NP1 | 13,713.048 | 12.96 | 177,721 |
| ING MAP PLUS NP8 | 9,594.320 | 12.65 | 121,368 |
| ING MAP PLUS NP9 | 22,391.750 | 12.61 | 282,360 |
| ING MAP PLUS NP11 | 40,945.155 | 12.52 | 512,633 |
| ING MAP PLUS NP12 | 35,219.889 | 12.48 | 439,544 |
| ING MAP PLUS NP13 | 165.136 | 12.43 | 2,053 |
| ING MAP PLUS NP14 | 8,984.885 | 12.39 | 111,323 |
| ING MAP PLUS NP15 | 14,242.746 | 12.35 | 175,898 |
| ING MAP PLUS NP16 | 313.628 | 12.31 | 3,861 |
| ING MAP PLUS NP17 | 6,444.312 | 12.26 | 79,007 |
| ING MAP PLUS NP18 | 1,817.023 | 12.22 | 22,204 |
| ING MAP PLUS NP19 | 7,637.094 | 12.18 | 93,020 |
| ING MAP PLUS NP20 | 58.918 | 12.14 | 715 |
| ING MAP PLUS NP21 | 6,084.402 | 12.10 | 73,621 |
| ING MAP PLUS NP22 | 3,824.540 | 12.05 | 46,086 |
| ING MAP PLUS NP23 | 6,627.550 | 12.01 | 79,597 |

**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) | | | |
| ING MAP PLUS NP24 | 331.649 | \$ 11.97 | \$ 3,970 |
| ING MAP PLUS NP25 | 561.707 | 11.93 | 6,701 |
| ING MAP PLUS NP26 | 1,189.347 | 11.89 | 14,141 |
| ING MAP PLUS NP27 | 467.591 | 11.85 | 5,541 |
| ING MAP PLUS NP28 | 3,417.499 | 11.81 | 40,361 |
| ING MAP PLUS NP29 | 1,489.884 | 11.77 | 17,536 |
| Qualified V | 766.410 | 11.94 | 9,151 |
| Qualified VI | 11,196,082.978 | 12.07 | 135,136,722 |
| Qualified VIII | 11,376.482 | 12.07 | 137,314 |
| Qualified X (1.15) | 816,368.810 | 12.16 | 9,927,045 |
| Qualified X (1.25) | 736,170.520 | 12.07 | 8,885,578 |
| Qualified XII (0.00) | 2,345.853 | 13.70 | 32,138 |
| Qualified XII (0.05) | 423,969.427 | 13.73 | 5,821,100 |
| Qualified XII (0.05) | 76,045.395 | 13.73 | 1,044,103 |
| Qualified XII (0.10) | 422.933 | 13.07 | 5,528 |
| Qualified XII (0.20) | 290,527.500 | 13.46 | 3,910,500 |
| Qualified XII (0.25) | 381,617.034 | 13.43 | 5,125,117 |
| Qualified XII (0.30) | 127,647.587 | 12.89 | 1,645,377 |
| Qualified XII (0.35) | 32,266.206 | 13.33 | 430,109 |
| Qualified XII (0.40) | 272,484.846 | 13.27 | 3,615,874 |
| Qualified XII (0.45) | 1,555.763 | 12.76 | 19,852 |
| Qualified XII (0.50) | 1,292,209.086 | 13.25 | 17,121,770 |
| Qualified XII (0.55) | 300,438.858 | 13.11 | 3,938,753 |
| Qualified XII (0.60) | 239,361.806 | 13.07 | 3,128,459 |
| Qualified XII (0.65) | 1,543,017.419 | 13.01 | 20,074,657 |
| Qualified XII (0.70) | 502,984.680 | 12.95 | 6,513,652 |
| Qualified XII (0.75) | 902,391.455 | 12.88 | 11,622,802 |
| Qualified XII (0.80) | 1,285,117.749 | 12.97 | 16,667,977 |
| Qualified XII (0.85) | 1,382,993.636 | 12.94 | 17,895,938 |
| Qualified XII (0.90) | 92,365.543 | 12.88 | 1,189,668 |
| Qualified XII (0.95) | 1,437,522.324 | 12.84 | 18,457,787 |
| Qualified XII (1.00) | 3,801,021.392 | 12.80 | 48,653,074 |
| Qualified XII (1.05) | 221,997.015 | 12.75 | 2,830,462 |
| Qualified XII (1.10) | 357,519.783 | 12.71 | 4,544,076 |
| Qualified XII (1.15) | 257,763.082 | 12.65 | 3,260,703 |
| Qualified XII (1.20) | 66,083.832 | 12.59 | 831,995 |
| Qualified XII (1.25) | 303,719.631 | 12.56 | 3,814,719 |
| Qualified XII (1.30) | 23,373.379 | 12.51 | 292,401 |
| Qualified XII (1.35) | 1,186.019 | 11.99 | 14,220 |
| Qualified XII (1.40) | 37,987.932 | 12.72 | 483,206 |
| Qualified XII (1.45) | 9,845.053 | 11.91 | 117,255 |
| Qualified XII (1.50) | 18,889.002 | 11.87 | 224,212 |
| Qualified XIII | 507.388 | 12.32 | 6,251 |
| Qualified XV | 80,988.020 | 12.32 | 997,772 |
| Qualified XVI | 281,243.126 | 11.87 | 3,338,356 |
| Qualified XVII | 11,379.065 | 12.07 | 137,345 |
| Qualified XVIII | 33,535.603 | 12.07 | 404,775 |
| Qualified XXII | 1,815.781 | 12.76 | 23,169 |

**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 XXVII | 6,972,742.984 | \$ 12.26 | \$ 85,485,829 |
| Qualified XXVIII | 2,684,637.210 | 12.28 | 32,967,345 |
| Qualified XXXII | 26,171.992 | 12.07 | 315,896 |
| Qualified XXXIII (0.65) | 60,213.481 | 12.58 | 757,486 |
| Qualified XXXIV | 33,064.514 | 8.34 | 275,758 |
| Qualified XXXVI | 72,289.014 | 12.67 | 915,902 |
| Qualified XXXVIII | 251,433.628 | 8.57 | 2,154,786 |
| Qualified XLIII | 20,740.746 | 8.35 | 173,185 |
| Qualified LIV | 126,644.129 | 12.88 | 1,631,176 |
| Qualified LVI | 379,820.723 | 13.24 | 5,028,826 |
| Qualified LIX | 15,370.002 | 12.75 | 195,968 |
| | <u>40,000,922.842</u> | | <u>\$ 498,461,939</u> |
| ING Oppenheimer Global Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| Qualified VI | 0.373 | \$ 14.05 | \$ 5 |
| Qualified XII (1.00) | 44,304.881 | 14.39 | 637,547 |
| | <u>44,305.254</u> | | <u>\$ 637,552</u> |
| ING PIMCO Total Return Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 185,090.559 | \$ 13.93 | \$ 2,578,311 |
| ING PIMCO Total Return Portfolio - Initial Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 170.852 | \$ 10.24 | \$ 1,750 |
| Qualified XII (0.95) | 314.103 | 10.29 | 3,232 |
| Qualified XII (1.00) | 452.358 | 10.28 | 4,650 |
| Qualified XII (1.25) | 3,831.119 | 10.24 | 39,231 |
| Qualified XII (1.40) | 2,816.799 | 10.22 | 28,788 |
| | <u>7,585.231</u> | | <u>\$ 77,651</u> |
| ING PIMCO Total Return Portfolio - Service Class | | | |
| Currently payable annuity contracts: | 398,342.736 | \$12.92 to \$14.19 | \$ 5,645,708 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 7,419.174 | 13.86 | 102,830 |
| ING Custom Choice 65 | 13,670.327 | 14.08 | 192,478 |
| ING MAP PLUS NP1 | 191,959.409 | 15.00 | 2,879,391 |
| ING MAP PLUS NP3 | 1,183.419 | 14.88 | 17,609 |
| ING MAP PLUS NP4 | 3,734.694 | 14.82 | 55,348 |
| ING MAP PLUS NP5 | 0.010 | 14.77 | - |
| ING MAP PLUS NP6 | 55,906.925 | 14.71 | 822,391 |
| ING MAP PLUS NP8 | 80,271.239 | 14.59 | 1,171,157 |
| ING MAP PLUS NP9 | 64,801.614 | 14.53 | 941,567 |
| ING MAP PLUS NP11 | 30,734.967 | 14.42 | 443,198 |
| ING MAP PLUS NP12 | 25,450.492 | 14.36 | 365,469 |
| ING MAP PLUS NP13 | 10,126.338 | 14.31 | 144,908 |
| ING MAP PLUS NP14 | 44,383.369 | 14.25 | 632,463 |
| ING MAP PLUS NP15 | 42,505.249 | 14.19 | 603,149 |
| ING MAP PLUS NP16 | 4,066.872 | 14.14 | 57,506 |
| ING MAP PLUS NP17 | 29,374.619 | 14.08 | 413,595 |

**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 NP18 | 3,147.338 | \$ 14.03 | \$ 44,157 |
| ING MAP PLUS NP19 | 20,820.510 | 13.97 | 290,863 |
| ING MAP PLUS NP20 | 23,715.765 | 13.92 | 330,123 |
| ING MAP PLUS NP21 | 48,957.150 | 13.86 | 678,546 |
| ING MAP PLUS NP22 | 3,991.950 | 13.81 | 55,129 |
| ING MAP PLUS NP23 | 28,475.883 | 13.75 | 391,543 |
| ING MAP PLUS NP24 | 430.253 | 13.70 | 5,894 |
| ING MAP PLUS NP25 | 39.271 | 13.64 | 536 |
| ING MAP PLUS NP26 | 13,667.341 | 13.59 | 185,739 |
| ING MAP PLUS NP27 | 143.121 | 13.54 | 1,938 |
| ING MAP PLUS NP28 | 5,735.154 | 13.48 | 77,310 |
| ING MAP PLUS NP29 | 381.465 | 13.43 | 5,123 |
| ING MAP PLUS NP30 | 838.130 | 13.38 | 11,214 |
| ING MAP PLUS NP32 | 676.249 | 13.27 | 8,974 |
| Qualified VI | 2,724,197.672 | 15.07 | 41,053,659 |
| Qualified VIII | 752.502 | 15.06 | 11,333 |
| Qualified X (1.15) | 62,255.093 | 15.22 | 947,523 |
| Qualified X (1.25) | 154,618.725 | 15.07 | 2,330,104 |
| Qualified XII (0.00) | 73,385.373 | 17.01 | 1,248,285 |
| Qualified XII (0.05) | 20,625.682 | 16.81 | 346,718 |
| Qualified XII (0.20) | 210,249.376 | 16.69 | 3,509,062 |
| Qualified XII (0.25) | 2,235.111 | 16.61 | 37,125 |
| Qualified XII (0.30) | 36,804.033 | 16.53 | 608,371 |
| Qualified XII (0.35) | 623.564 | 16.45 | 10,258 |
| Qualified XII (0.40) | 407,805.051 | 16.37 | 6,675,769 |
| Qualified XII (0.50) | 216,029.285 | 16.21 | 3,501,835 |
| Qualified XII (0.55) | 246,283.647 | 16.13 | 3,972,555 |
| Qualified XII (0.60) | 125,819.302 | 16.05 | 2,019,400 |
| Qualified XII (0.65) | 307,995.830 | 15.98 | 4,921,773 |
| Qualified XII (0.70) | 114,841.441 | 15.90 | 1,825,979 |
| Qualified XII (0.75) | 751,853.501 | 15.82 | 11,894,322 |
| Qualified XII (0.80) | 147,050.969 | 15.75 | 2,316,053 |
| Qualified XII (0.85) | 764,294.064 | 15.67 | 11,976,488 |
| Qualified XII (0.90) | 32,058.187 | 15.59 | 499,787 |
| Qualified XII (0.95) | 682,478.773 | 15.52 | 10,592,071 |
| Qualified XII (1.00) | 2,472,812.440 | 15.44 | 38,180,224 |
| Qualified XII (1.05) | 38,490.381 | 15.37 | 591,597 |
| Qualified XII (1.10) | 76,826.896 | 15.29 | 1,174,683 |
| Qualified XII (1.15) | 44,639.494 | 15.22 | 679,413 |
| Qualified XII (1.20) | 18,134.286 | 15.15 | 274,734 |
| Qualified XII (1.25) | 230,617.390 | 15.07 | 3,475,404 |
| Qualified XII (1.30) | 11,820.602 | 15.00 | 177,309 |
| Qualified XII (1.35) | 389.568 | 14.93 | 5,816 |
| Qualified XII (1.40) | 41,583.808 | 14.86 | 617,935 |
| Qualified XII (1.45) | 4,379.646 | 14.79 | 64,775 |
| Qualified XII (1.50) | 6,668.877 | 14.71 | 98,099 |
| Qualified XIII | 2,839.847 | 15.52 | 44,074 |
| Qualified XV | 15,631.451 | 15.52 | 242,600 |

**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 XVI | 85,601.531 | \$ 14.71 | \$ 1,259,199 |
| Qualified XVII | 3,269.397 | 15.07 | 49,270 |
| Qualified XVIII | 4,132.057 | 15.44 | 63,799 |
| Qualified XXI | 21,622.281 | 15.75 | 340,551 |
| Qualified XXVII | 1,993,303.656 | 14.15 | 28,205,247 |
| Qualified XXVIII | 1,665,533.369 | 15.47 | 25,765,801 |
| Qualified XXXII | 2,468.733 | 13.72 | 33,871 |
| Qualified XXXIII (0.65) | 42,491.708 | 16.24 | 690,065 |
| Qualified XXXIV | 8,031.667 | 12.41 | 99,673 |
| Qualified XXXVIII | 81,561.562 | 12.75 | 1,039,910 |
| Qualified XLIII | 980.137 | 12.44 | 12,193 |
| Qualified LIV | 144,326.274 | 13.82 | 1,994,589 |
| Qualified LVI | 61,813.690 | 14.21 | 878,373 |
| | <u>15,317,178.962</u> | | <u>\$ 232,933,530</u> |
| ING Pioneer High Yield Portfolio - Initial Class | | | |
| Currently payable annuity contracts: | 68,635.568 | \$14.11 to \$14.95 | \$ 1,021,904 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 1,148.480 | 14.70 | 16,883 |
| ING Custom Choice 65 | 441.722 | 15.44 | 6,820 |
| Qualified VI | 314,085.407 | 14.70 | 4,617,055 |
| Qualified VIII | 132.882 | 14.69 | 1,952 |
| Qualified X (1.15) | 14,551.183 | 14.78 | 215,066 |
| Qualified X (1.25) | 23,667.519 | 14.70 | 347,913 |
| Qualified XII (0.00) | 3,674.326 | 15.78 | 57,981 |
| Qualified XII (0.25) | 930.098 | 15.56 | 14,472 |
| Qualified XII (0.30) | 8,234.564 | 15.51 | 127,718 |
| Qualified XII (0.40) | 28,259.660 | 15.42 | 435,764 |
| Qualified XII (0.50) | 256,411.182 | 15.34 | 3,933,348 |
| Qualified XII (0.55) | 5,888.756 | 15.29 | 90,039 |
| Qualified XII (0.60) | 3,807.002 | 15.25 | 58,057 |
| Qualified XII (0.65) | 27,820.439 | 15.21 | 423,149 |
| Qualified XII (0.70) | 19,628.645 | 15.16 | 297,570 |
| Qualified XII (0.75) | 34,579.888 | 15.12 | 522,848 |
| Qualified XII (0.80) | 23,731.027 | 15.08 | 357,864 |
| Qualified XII (0.85) | 82,899.122 | 15.04 | 1,246,803 |
| Qualified XII (0.90) | 1,438.728 | 14.99 | 21,567 |
| Qualified XII (0.95) | 78,885.226 | 14.95 | 1,179,334 |
| Qualified XII (1.00) | 198,670.022 | 14.91 | 2,962,170 |
| Qualified XII (1.05) | 2,766.413 | 14.87 | 41,137 |
| Qualified XII (1.10) | 10,055.852 | 14.82 | 149,028 |
| Qualified XII (1.15) | 1,694.180 | 14.78 | 25,040 |
| Qualified XII (1.20) | 5,383.857 | 14.74 | 79,358 |
| Qualified XII (1.25) | 26,092.967 | 14.70 | 383,567 |
| Qualified XII (1.40) | 903.117 | 14.57 | 13,158 |
| Qualified XV | 278.740 | 14.95 | 4,167 |
| Qualified XVI | 5,347.656 | 14.49 | 77,488 |
| Qualified XVII | 192.984 | 14.70 | 2,837 |
| Qualified XVIII | 474.784 | 14.91 | 7,079 |

**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 XXXIV | 544.663 | \$ 13.37 | \$ 7,282 |
| Qualified XXXVIII | 12,344.036 | 13.74 | 169,607 |
| Qualified XLIII | 16.264 | 13.39 | 218 |
| Qualified LIV | 7,984.966 | 15.16 | 121,052 |
| Qualified LVI | 9,877.607 | 15.58 | 153,893 |
| | <u>1,281,479.532</u> | | <u>\$ 19,191,188</u> |
| ING Pioneer High Yield Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP8 | 60.778 | \$ 15.25 | \$ 927 |
| ING MAP PLUS NP14 | 3,359.767 | 14.99 | 50,363 |
| ING MAP PLUS NP15 | 11,373.670 | 14.95 | 170,036 |
| ING MAP PLUS NP17 | 759.685 | 14.86 | 11,289 |
| ING MAP PLUS NP18 | 1,529.189 | 14.82 | 22,663 |
| ING MAP PLUS NP19 | 1,253.676 | 14.78 | 18,529 |
| ING MAP PLUS NP22 | 858.683 | 14.65 | 12,580 |
| ING MAP PLUS NP23 | 513.666 | 14.61 | 7,505 |
| ING MAP PLUS NP24 | 625.467 | 14.57 | 9,113 |
| ING MAP PLUS NP26 | 611.369 | 14.49 | 8,859 |
| ING MAP PLUS NP28 | 5,626.613 | 14.41 | 81,079 |
| | <u>26,572.563</u> | | <u>\$ 392,943</u> |
| ING Solution 2015 Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 0.054 | \$ 12.12 | \$ 1 |
| Qualified XXXV | 71,178.767 | 11.31 | 805,032 |
| | <u>71,178.821</u> | | <u>\$ 805,033</u> |
| ING Solution 2015 Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 11,195.415 | \$ 11.34 | \$ 126,956 |
| ING Custom Choice 65 | 318.508 | 12.05 | 3,838 |
| ING Educator's Direct | 28,944.840 | 11.76 | 340,391 |
| Qualified VI | 1,072,680.743 | 11.34 | 12,164,200 |
| Qualified X (1.15) | 47,712.952 | 11.42 | 544,882 |
| Qualified X (1.25) | 135,315.375 | 11.34 | 1,534,476 |
| Qualified XII (0.00) | 14,575.867 | 12.33 | 179,720 |
| Qualified XII (0.05) | 7,747.061 | 12.33 | 95,521 |
| Qualified XII (0.05) | 266,243.504 | 12.33 | 3,282,782 |
| Qualified XII (0.20) | 48,704.986 | 12.17 | 592,740 |
| Qualified XII (0.25) | 14,716.649 | 12.13 | 178,513 |
| Qualified XII (0.30) | 19,205.054 | 12.09 | 232,189 |
| Qualified XII (0.35) | 159,973.700 | 12.05 | 1,927,683 |
| Qualified XII (0.40) | 231,935.006 | 12.01 | 2,785,539 |
| Qualified XII (0.50) | 312,383.814 | 11.93 | 3,726,739 |
| Qualified XII (0.55) | 187,672.802 | 11.89 | 2,231,430 |
| Qualified XII (0.60) | 47,558.792 | 11.85 | 563,572 |
| Qualified XII (0.65) | 76,463.086 | 11.81 | 903,029 |
| Qualified XII (0.70) | 66,706.299 | 11.77 | 785,133 |
| Qualified XII (0.75) | 390,865.170 | 11.73 | 4,584,848 |
| Qualified XII (0.80) | 86,901.049 | 11.69 | 1,015,873 |

**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 XII (0.85) | 287,659.367 | \$ 11.65 | \$ 3,351,232 |
| Qualified XII (0.90) | 18,830.575 | 11.61 | 218,623 |
| Qualified XII (0.95) | 577,806.831 | 11.57 | 6,685,225 |
| Qualified XII (1.00) | 337,461.008 | 11.53 | 3,890,925 |
| Qualified XII (1.05) | 3,612.813 | 11.50 | 41,547 |
| Qualified XII (1.10) | 58,880.140 | 11.46 | 674,766 |
| Qualified XII (1.15) | 34,876.532 | 11.42 | 398,290 |
| Qualified XII (1.20) | 24,413.540 | 11.38 | 277,826 |
| Qualified XII (1.25) | 138,130.547 | 11.34 | 1,566,400 |
| Qualified XII (1.30) | 5,365.093 | 11.31 | 60,679 |
| Qualified XII (1.40) | 10,610.176 | 11.23 | 119,152 |
| Qualified XII (1.45) | 1,956.214 | 11.19 | 21,890 |
| Qualified XII (1.50) | 5,219.636 | 11.16 | 58,251 |
| Qualified XIII | 600.949 | 11.57 | 6,953 |
| Qualified XV | 610.220 | 11.57 | 7,060 |
| Qualified XVI | 72,836.832 | 11.16 | 812,859 |
| Qualified XVIII | 1,207.715 | 11.34 | 13,695 |
| Qualified XXI | 14,712.016 | 11.69 | 171,983 |
| Qualified XXVIII | 135,438.286 | 9.47 | 1,282,601 |
| Qualified XXXII | 3,050.267 | 11.34 | 34,590 |
| Qualified XXXIV | 136,683.081 | 9.45 | 1,291,655 |
| Qualified XXXVI | 401.892 | 11.89 | 4,778 |
| Qualified XXXVIII | 2,709.329 | 9.71 | 26,308 |
| Qualified XLIII | 379.352 | 9.47 | 3,592 |
| Qualified LIV | 29,187.943 | 11.83 | 345,293 |
| Qualified LVI | 95,581.524 | 12.16 | 1,162,271 |
| | <u>5,226,042.550</u> | | <u>\$ 60,328,498</u> |
| ING Solution 2015 Portfolio - Service 2 Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 290,591.399 | \$ 11.33 | \$ 3,292,401 |
| ING MAP PLUS NP6 | 21,006.373 | 11.28 | 236,952 |
| ING MAP PLUS NP8 | 104,596.277 | 11.25 | 1,176,708 |
| ING MAP PLUS NP9 | 116,909.370 | 11.24 | 1,314,061 |
| ING MAP PLUS NP10 | 4,039.011 | 11.23 | 45,358 |
| ING MAP PLUS NP11 | 6,873.799 | 11.22 | 77,124 |
| ING MAP PLUS NP12 | 127,362.000 | 11.21 | 1,427,728 |
| ING MAP PLUS NP13 | 13,790.837 | 11.20 | 154,457 |
| ING MAP PLUS NP14 | 60,354.578 | 11.19 | 675,368 |
| ING MAP PLUS NP15 | 96,049.930 | 11.18 | 1,073,838 |
| ING MAP PLUS NP16 | 58,975.458 | 11.17 | 658,756 |
| ING MAP PLUS NP17 | 46,318.844 | 11.16 | 516,918 |
| ING MAP PLUS NP18 | 6,885.190 | 11.15 | 76,770 |
| ING MAP PLUS NP19 | 12,839.898 | 11.14 | 143,036 |
| ING MAP PLUS NP20 | 49,146.764 | 11.13 | 547,003 |
| ING MAP PLUS NP21 | 86,262.198 | 11.12 | 959,236 |
| ING MAP PLUS NP22 | 12,981.107 | 11.11 | 144,220 |
| ING MAP PLUS NP23 | 65,805.515 | 11.10 | 730,441 |
| ING MAP PLUS NP24 | 7,915.334 | 11.08 | 87,702 |

**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 2 Class (continued) | | | |
| ING MAP PLUS NP25 | 1,623.277 | \$ 11.07 | \$ 17,970 |
| ING MAP PLUS NP26 | 13,295.142 | 11.06 | 147,044 |
| ING MAP PLUS NP28 | 31,684.563 | 11.04 | 349,798 |
| ING MAP PLUS NP29 | 692.960 | 11.03 | 7,643 |
| ING MAP PLUS NP30 | 4,690.279 | 11.02 | 51,687 |
| ING MAP PLUS NP32 | 0.977 | 11.00 | 11 |
| | <u>1,240,691.080</u> | | <u>\$ 13,912,230</u> |
| ING Solution 2025 Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 36,151.459 | \$ 10.70 | \$ 386,821 |
| ING Solution 2025 Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 474.646 | \$ 10.93 | \$ 5,188 |
| ING Custom Choice 65 | 2,837.747 | 11.62 | 32,975 |
| ING Educator's Direct | 6,421.560 | 11.64 | 74,747 |
| Qualified VI | 1,927,090.412 | 10.93 | 21,063,098 |
| Qualified X (1.15) | 66,293.105 | 11.01 | 729,887 |
| Qualified X (1.25) | 130,511.688 | 10.93 | 1,426,493 |
| Qualified XII (0.00) | 29,662.230 | 11.89 | 352,684 |
| Qualified XII (0.05) | 25,507.628 | 11.88 | 303,031 |
| Qualified XII (0.05) | 646,085.347 | 11.88 | 7,675,494 |
| Qualified XII (0.20) | 159,372.648 | 11.73 | 1,869,441 |
| Qualified XII (0.25) | 50,073.630 | 11.69 | 585,361 |
| Qualified XII (0.30) | 74,720.434 | 11.65 | 870,493 |
| Qualified XII (0.35) | 228,952.423 | 11.61 | 2,658,138 |
| Qualified XII (0.40) | 337,131.105 | 11.57 | 3,900,607 |
| Qualified XII (0.50) | 312,878.931 | 11.50 | 3,598,108 |
| Qualified XII (0.55) | 295,684.606 | 11.46 | 3,388,546 |
| Qualified XII (0.60) | 172,598.442 | 11.42 | 1,971,074 |
| Qualified XII (0.65) | 246,227.389 | 11.38 | 2,802,068 |
| Qualified XII (0.70) | 109,926.761 | 11.34 | 1,246,569 |
| Qualified XII (0.75) | 475,412.303 | 11.31 | 5,376,913 |
| Qualified XII (0.80) | 43,267.800 | 11.27 | 487,628 |
| Qualified XII (0.85) | 627,870.863 | 11.23 | 7,050,990 |
| Qualified XII (0.90) | 27,621.601 | 11.19 | 309,086 |
| Qualified XII (0.95) | 695,461.248 | 11.16 | 7,761,348 |
| Qualified XII (1.00) | 486,409.009 | 11.12 | 5,408,868 |
| Qualified XII (1.05) | 17,025.799 | 11.08 | 188,646 |
| Qualified XII (1.10) | 175,053.234 | 11.04 | 1,932,588 |
| Qualified XII (1.15) | 57,495.228 | 11.01 | 633,022 |
| Qualified XII (1.20) | 60,114.571 | 10.97 | 659,457 |
| Qualified XII (1.25) | 145,303.898 | 10.93 | 1,588,172 |
| Qualified XII (1.30) | 8,429.246 | 10.90 | 91,879 |
| Qualified XII (1.40) | 44,371.036 | 10.83 | 480,538 |
| Qualified XII (1.45) | 12,126.347 | 10.79 | 130,843 |
| Qualified XII (1.50) | 1,663.539 | 10.75 | 17,883 |
| Qualified XV | 4,058.661 | 11.16 | 45,295 |

**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 2025 Portfolio - Service Class (continued) | | | |
| Qualified XVI | 71,442.212 | \$ 10.75 | \$ 768,004 |
| Qualified XXI | 18,625.807 | 11.27 | 209,913 |
| Qualified XXVIII | 87,672.862 | 8.72 | 764,507 |
| Qualified XXXII | 1,126.358 | 10.93 | 12,311 |
| Qualified XXXIV | 186,518.870 | 8.71 | 1,624,579 |
| Qualified XXXVI | 1,211.381 | 11.46 | 13,882 |
| Qualified XXXVIII | 38,963.817 | 8.95 | 348,726 |
| Qualified XLIII | 901.257 | 8.72 | 7,859 |
| Qualified LIV | 38,196.062 | 11.40 | 435,435 |
| Qualified LVI | 111,426.081 | 11.72 | 1,305,914 |
| | <u>8,260,219.822</u> | | <u>\$ 92,208,288</u> |
| ING Solution 2025 Portfolio - Service 2 Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 451,231.423 | \$ 11.51 | \$ 5,193,674 |
| ING MAP PLUS NP3 | 195.500 | 11.49 | 2,246 |
| ING MAP PLUS NP6 | 7,410.821 | 11.45 | 84,854 |
| ING MAP PLUS NP8 | 160,899.184 | 11.43 | 1,839,078 |
| ING MAP PLUS NP9 | 144,495.368 | 11.42 | 1,650,137 |
| ING MAP PLUS NP11 | 59,796.174 | 11.40 | 681,676 |
| ING MAP PLUS NP12 | 137,714.657 | 11.39 | 1,568,570 |
| ING MAP PLUS NP13 | 20,744.337 | 11.38 | 236,071 |
| ING MAP PLUS NP14 | 90,762.567 | 11.37 | 1,031,970 |
| ING MAP PLUS NP15 | 129,882.045 | 11.36 | 1,475,460 |
| ING MAP PLUS NP16 | 41,307.968 | 11.35 | 468,845 |
| ING MAP PLUS NP17 | 66,827.914 | 11.33 | 757,160 |
| ING MAP PLUS NP18 | 16,405.751 | 11.32 | 185,713 |
| ING MAP PLUS NP19 | 86,354.095 | 11.31 | 976,665 |
| ING MAP PLUS NP20 | 24,939.182 | 11.30 | 281,813 |
| ING MAP PLUS NP21 | 113,861.361 | 11.29 | 1,285,495 |
| ING MAP PLUS NP22 | 19,973.738 | 11.28 | 225,304 |
| ING MAP PLUS NP23 | 54,416.386 | 11.27 | 613,273 |
| ING MAP PLUS NP24 | 27,331.055 | 11.26 | 307,748 |
| ING MAP PLUS NP25 | 901.505 | 11.25 | 10,142 |
| ING MAP PLUS NP26 | 27,097.171 | 11.24 | 304,572 |
| ING MAP PLUS NP28 | 35,131.486 | 11.22 | 394,175 |
| ING MAP PLUS NP29 | 2,925.673 | 11.21 | 32,797 |
| ING MAP PLUS NP30 | 5,248.318 | 11.20 | 58,781 |
| ING MAP PLUS NP32 | 783.634 | 11.17 | 8,753 |
| | <u>1,726,637.313</u> | | <u>\$ 19,674,972</u> |
| ING Solution 2035 Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 32,060.609 | \$ 10.55 | \$ 338,239 |

**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: | | | |
| ING Custom Choice 62 | 13.606 | \$ 10.90 | \$ 148 |
| ING Custom Choice 65 | 3,132.575 | 11.58 | 36,275 |
| ING Educator's Direct | 6,717.500 | 11.58 | 77,789 |
| Qualified VI | 1,555,613.739 | 10.90 | 16,956,190 |
| Qualified X (1.15) | 28,998.006 | 10.97 | 318,108 |
| Qualified X (1.25) | 82,886.360 | 10.90 | 903,461 |
| Qualified XII (0.00) | 26,751.425 | 11.85 | 317,004 |
| Qualified XII (0.05) | 41,759.700 | 11.85 | 494,852 |
| Qualified XII (0.05) | 554,647.819 | 11.85 | 6,572,577 |
| Qualified XII (0.20) | 202,899.426 | 11.69 | 2,371,894 |
| Qualified XII (0.25) | 68,009.939 | 11.65 | 792,316 |
| Qualified XII (0.30) | 60,602.019 | 11.61 | 703,589 |
| Qualified XII (0.35) | 181,696.686 | 11.58 | 2,104,048 |
| Qualified XII (0.40) | 256,694.709 | 11.54 | 2,962,257 |
| Qualified XII (0.50) | 329,333.237 | 11.46 | 3,774,159 |
| Qualified XII (0.55) | 177,240.887 | 11.42 | 2,024,091 |
| Qualified XII (0.60) | 117,966.645 | 11.38 | 1,342,460 |
| Qualified XII (0.65) | 233,304.508 | 11.35 | 2,648,006 |
| Qualified XII (0.70) | 163,242.214 | 11.31 | 1,846,269 |
| Qualified XII (0.75) | 417,112.162 | 11.27 | 4,700,854 |
| Qualified XII (0.80) | 33,557.279 | 11.23 | 376,848 |
| Qualified XII (0.85) | 350,483.387 | 11.20 | 3,925,414 |
| Qualified XII (0.90) | 26,336.878 | 11.16 | 293,920 |
| Qualified XII (0.95) | 445,354.667 | 11.12 | 4,952,344 |
| Qualified XII (1.00) | 486,904.118 | 11.08 | 5,394,898 |
| Qualified XII (1.05) | 2,929.805 | 11.05 | 32,374 |
| Qualified XII (1.10) | 149,369.248 | 11.01 | 1,644,555 |
| Qualified XII (1.15) | 65,899.305 | 10.97 | 722,915 |
| Qualified XII (1.20) | 39,426.207 | 10.94 | 431,323 |
| Qualified XII (1.25) | 172,583.573 | 10.90 | 1,881,161 |
| Qualified XII (1.30) | 4,411.313 | 10.86 | 47,907 |
| Qualified XII (1.35) | 13.007 | 10.83 | 141 |
| Qualified XII (1.40) | 28,406.324 | 10.79 | 306,504 |
| Qualified XII (1.45) | 3,543.164 | 10.76 | 38,124 |
| Qualified XII (1.50) | 2,448.807 | 10.72 | 26,251 |
| Qualified XIII | 3,154.635 | 11.12 | 35,080 |
| Qualified XV | 2,655.154 | 11.12 | 29,525 |
| Qualified XVI | 94,888.368 | 10.72 | 1,017,203 |
| Qualified XXI | 48,908.299 | 11.23 | 549,240 |
| Qualified XXVIII | 6,156.689 | 8.42 | 51,839 |
| Qualified XXXII | 958.760 | 10.90 | 10,450 |
| Qualified XXXIV | 190,361.809 | 8.36 | 1,591,425 |
| Qualified XXXVI | 6,865.698 | 11.42 | 78,406 |
| Qualified XXXVIII | 24,808.170 | 8.60 | 213,350 |
| Qualified XLIII | 4,603.048 | 8.38 | 38,574 |
| Qualified LIV | 40,731.967 | 11.36 | 462,715 |
| Qualified LVI | 117,344.627 | 11.68 | 1,370,585 |
| | <u>6,861,727.468</u> | | <u>\$ 76,469,418</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 - Service 2 Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 256,765.559 | \$ 11.52 | \$ 2,957,939 |
| ING MAP PLUS NP6 | 13,414.982 | 11.46 | 153,736 |
| ING MAP PLUS NP8 | 284,472.466 | 11.44 | 3,254,365 |
| ING MAP PLUS NP9 | 128,617.311 | 11.43 | 1,470,096 |
| ING MAP PLUS NP10 | 3,782.103 | 11.42 | 43,192 |
| ING MAP PLUS NP11 | 20,669.974 | 11.41 | 235,844 |
| ING MAP PLUS NP12 | 111,067.380 | 11.40 | 1,266,168 |
| ING MAP PLUS NP13 | 54,244.758 | 11.39 | 617,848 |
| ING MAP PLUS NP14 | 50,148.472 | 11.38 | 570,690 |
| ING MAP PLUS NP15 | 60,720.858 | 11.37 | 690,396 |
| ING MAP PLUS NP16 | 34,709.856 | 11.35 | 393,957 |
| ING MAP PLUS NP17 | 79,630.778 | 11.34 | 903,013 |
| ING MAP PLUS NP18 | 12,418.786 | 11.33 | 140,705 |
| ING MAP PLUS NP19 | 37,474.182 | 11.32 | 424,208 |
| ING MAP PLUS NP20 | 48,325.437 | 11.31 | 546,561 |
| ING MAP PLUS NP21 | 88,191.858 | 11.30 | 996,568 |
| ING MAP PLUS NP22 | 7,540.264 | 11.29 | 85,130 |
| ING MAP PLUS NP23 | 76,157.423 | 11.28 | 859,056 |
| ING MAP PLUS NP24 | 15,788.531 | 11.27 | 177,937 |
| ING MAP PLUS NP25 | 1,727.595 | 11.26 | 19,453 |
| ING MAP PLUS NP26 | 16,587.963 | 11.25 | 186,615 |
| ING MAP PLUS NP28 | 33,097.029 | 11.23 | 371,680 |
| ING MAP PLUS NP29 | 928.741 | 11.21 | 10,411 |
| ING MAP PLUS NP30 | 7,891.883 | 11.20 | 88,389 |
| ING MAP PLUS NP32 | 11.136 | 11.18 | 125 |
| | <u>1,444,385.325</u> | | <u>\$ 16,464,082</u> |
| ING Solution 2045 Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 11,091.895 | \$ 10.34 | \$ 114,690 |
| ING Solution 2045 Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 65 | 2,074.830 | \$ 11.54 | \$ 23,944 |
| ING Educator's Direct | 3,512.909 | 11.49 | 40,363 |
| Qualified VI | 1,175,900.791 | 10.86 | 12,770,283 |
| Qualified X (1.15) | 5,801.436 | 10.93 | 63,410 |
| Qualified X (1.25) | 57,105.045 | 10.86 | 620,161 |
| Qualified XII (0.00) | 17,755.508 | 11.80 | 209,515 |
| Qualified XII (0.05) | 10,309.636 | 11.80 | 121,654 |
| Qualified XII (0.05) | 310,908.992 | 11.80 | 3,668,726 |
| Qualified XII (0.20) | 284,221.911 | 11.65 | 3,311,185 |
| Qualified XII (0.25) | 45,606.715 | 11.61 | 529,494 |
| Qualified XII (0.30) | 72,175.905 | 11.57 | 835,075 |
| Qualified XII (0.35) | 34,066.526 | 11.53 | 392,787 |
| Qualified XII (0.40) | 152,695.760 | 11.49 | 1,754,474 |
| Qualified XII (0.50) | 262,724.878 | 11.42 | 3,000,318 |
| Qualified XII (0.55) | 107,058.209 | 11.38 | 1,218,322 |

**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 (continued) | | | |
| Qualified XII (0.60) | 119,347.668 | \$ 11.34 | \$ 1,353,403 |
| Qualified XII (0.65) | 190,325.693 | 11.30 | 2,150,680 |
| Qualified XII (0.70) | 102,905.634 | 11.26 | 1,158,717 |
| Qualified XII (0.75) | 150,928.419 | 11.23 | 1,694,926 |
| Qualified XII (0.80) | 48,898.161 | 11.19 | 547,170 |
| Qualified XII (0.85) | 454,772.325 | 11.15 | 5,070,711 |
| Qualified XII (0.90) | 11,737.211 | 11.11 | 130,400 |
| Qualified XII (0.95) | 353,671.886 | 11.08 | 3,918,684 |
| Qualified XII (1.00) | 355,767.025 | 11.04 | 3,927,668 |
| Qualified XII (1.05) | 3,599.035 | 11.00 | 39,589 |
| Qualified XII (1.10) | 126,006.403 | 10.97 | 1,382,290 |
| Qualified XII (1.15) | 31,148.541 | 10.93 | 340,454 |
| Qualified XII (1.20) | 45,184.997 | 10.89 | 492,065 |
| Qualified XII (1.25) | 118,505.478 | 10.86 | 1,286,969 |
| Qualified XII (1.30) | 2,131.454 | 10.82 | 23,062 |
| Qualified XII (1.40) | 18,112.174 | 10.75 | 194,706 |
| Qualified XII (1.45) | 5,178.098 | 10.71 | 55,457 |
| Qualified XII (1.50) | 736.970 | 10.68 | 7,871 |
| Qualified XIII | 293.983 | 11.08 | 3,257 |
| Qualified XV | 5,127.880 | 11.08 | 56,817 |
| Qualified XVI | 45,905.925 | 10.68 | 490,275 |
| Qualified XXI | 24,823.759 | 11.19 | 277,778 |
| Qualified XXVIII | 23,521.405 | 8.12 | 190,994 |
| Qualified XXXIV | 112,510.435 | 8.06 | 906,834 |
| Qualified XXXVI | 16,804.094 | 11.38 | 191,231 |
| Qualified XXXVIII | 8,279.318 | 8.28 | 68,553 |
| Qualified XLIII | 3,999.582 | 8.07 | 32,277 |
| Qualified LIV | 21,052.024 | 11.32 | 238,309 |
| Qualified LVI | 50,027.563 | 11.64 | 582,321 |
| | <u>4,993,222.191</u> | | <u>\$ 55,373,179</u> |
| ING Solution 2045 Portfolio - Service 2 Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 346,169.300 | \$ 11.56 | \$ 4,001,717 |
| ING MAP PLUS NP6 | 1,027.127 | 11.50 | 11,812 |
| ING MAP PLUS NP8 | 205,693.266 | 11.48 | 2,361,359 |
| ING MAP PLUS NP9 | 164,806.421 | 11.47 | 1,890,330 |
| ING MAP PLUS NP10 | 772.064 | 11.46 | 8,848 |
| ING MAP PLUS NP11 | 27,987.723 | 11.45 | 320,459 |
| ING MAP PLUS NP12 | 28,963.765 | 11.44 | 331,345 |
| ING MAP PLUS NP13 | 2,705.724 | 11.43 | 30,926 |
| ING MAP PLUS NP14 | 69,529.753 | 11.42 | 794,030 |
| ING MAP PLUS NP15 | 31,935.123 | 11.41 | 364,380 |
| ING MAP PLUS NP16 | 38,179.953 | 11.39 | 434,870 |
| ING MAP PLUS NP17 | 27,548.317 | 11.38 | 313,500 |
| ING MAP PLUS NP18 | 8,338.396 | 11.37 | 94,808 |
| ING MAP PLUS NP19 | 16,772.808 | 11.36 | 190,539 |
| ING MAP PLUS NP20 | 11,050.657 | 11.35 | 125,425 |
| ING MAP PLUS NP21 | 90,907.248 | 11.34 | 1,030,888 |

**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 2 Class (continued) | | | |
| ING MAP PLUS NP22 | 5,187.689 | \$ 11.33 | \$ 58,777 |
| ING MAP PLUS NP23 | 34,417.395 | 11.32 | 389,605 |
| ING MAP PLUS NP24 | 10,142.651 | 11.31 | 114,713 |
| ING MAP PLUS NP25 | 197.808 | 11.30 | 2,235 |
| ING MAP PLUS NP26 | 16,132.950 | 11.29 | 182,141 |
| ING MAP PLUS NP28 | 25,476.681 | 11.27 | 287,122 |
| ING MAP PLUS NP29 | 1,469.420 | 11.25 | 16,531 |
| ING MAP PLUS NP30 | 1,908.117 | 11.24 | 21,447 |
| ING MAP PLUS NP32 | 439.513 | 11.22 | 4,931 |
| | <u>1,167,759.869</u> | | <u>\$ 13,382,738</u> |
| ING Solution 2055 Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| Qualified VI | 43,831.086 | \$ 10.80 | \$ 473,376 |
| Qualified XII (0.05) | 4,189.155 | 11.02 | 46,164 |
| Qualified XII (0.20) | 16,886.249 | 10.98 | 185,411 |
| Qualified XII (0.25) | 66.128 | 10.98 | 726 |
| Qualified XII (0.35) | 966.487 | 10.96 | 10,593 |
| Qualified XII (0.40) | 643.254 | 10.95 | 7,044 |
| Qualified XII (0.50) | 13,762.837 | 10.93 | 150,428 |
| Qualified XII (0.55) | 1,932.871 | 10.92 | 21,107 |
| Qualified XII (0.60) | 342.378 | 10.91 | 3,735 |
| Qualified XII (0.65) | 5,474.128 | 10.90 | 59,668 |
| Qualified XII (0.70) | 1,607.365 | 10.89 | 17,504 |
| Qualified XII (0.75) | 2,632.552 | 10.89 | 28,668 |
| Qualified XII (0.80) | 1,022.857 | 10.88 | 11,129 |
| Qualified XII (0.85) | 3,878.853 | 10.87 | 42,163 |
| Qualified XII (0.90) | 36.095 | 10.86 | 392 |
| Qualified XII (0.95) | 10,336.451 | 10.85 | 112,150 |
| Qualified XII (1.00) | 11,810.919 | 10.84 | 128,030 |
| Qualified XII (1.05) | 91.570 | 10.83 | 992 |
| Qualified XII (1.10) | 3,365.531 | 10.82 | 36,415 |
| Qualified XII (1.15) | 231.092 | 10.81 | 2,498 |
| Qualified XII (1.20) | 517.013 | 10.80 | 5,584 |
| Qualified XII (1.25) | 1,245.249 | 10.80 | 13,449 |
| Qualified XII (1.30) | 75.421 | 10.79 | 814 |
| Qualified XII (1.40) | 473.929 | 10.77 | 5,104 |
| Qualified XII (1.50) | 916.713 | 10.75 | 9,855 |
| Qualified XVI | 27.767 | 10.75 | 298 |
| Qualified XXI | 81.785 | 10.88 | 890 |
| Qualified XXVIII | 3,476.992 | 10.20 | 35,465 |
| Qualified XXXIV | 151.238 | 10.86 | 1,642 |
| Qualified LIV | 43.144 | 10.88 | 469 |
| Qualified LVI | 189.595 | 10.98 | 2,082 |
| | <u>130,306.704</u> | | <u>\$ 1,413,845</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 2055 Portfolio - Service 2 Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 4,385.980 | \$ 11.00 | \$ 48,246 |
| ING MAP PLUS NP6 | 47.631 | 10.95 | 522 |
| ING MAP PLUS NP8 | 2,008.740 | 10.93 | 21,956 |
| ING MAP PLUS NP9 | 1,311.743 | 10.92 | 14,324 |
| ING MAP PLUS NP11 | 447.833 | 10.91 | 4,886 |
| ING MAP PLUS NP12 | 1,029.723 | 10.90 | 11,224 |
| ING MAP PLUS NP14 | 299.941 | 10.88 | 3,263 |
| ING MAP PLUS NP15 | 253.313 | 10.87 | 2,754 |
| ING MAP PLUS NP16 | 1,048.290 | 10.86 | 11,384 |
| ING MAP PLUS NP17 | 11,139.771 | 10.85 | 120,867 |
| ING MAP PLUS NP19 | 147.439 | 10.83 | 1,597 |
| ING MAP PLUS NP20 | 221.413 | 10.83 | 2,398 |
| ING MAP PLUS NP21 | 268.238 | 10.82 | 2,902 |
| ING MAP PLUS NP22 | 499.478 | 10.81 | 5,399 |
| ING MAP PLUS NP23 | 56.970 | 10.80 | 615 |
| ING MAP PLUS NP26 | 129.799 | 10.77 | 1,398 |
| ING MAP PLUS NP28 | 64.569 | 10.75 | 694 |
| ING MAP PLUS NP30 | 392.931 | 10.74 | 4,220 |
| | <u>23,753.802</u> | | <u>\$ 258,649</u> |
| ING Solution Growth Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| Qualified V | 3.039 | \$ 9.05 | \$ 28 |
| Qualified VI | 74,297.835 | 9.10 | 676,110 |
| Qualified XII (0.30) | 144.489 | 9.42 | 1,361 |
| Qualified XII (0.40) | 11.290 | 9.39 | 106 |
| Qualified XII (0.50) | 178.806 | 9.36 | 1,674 |
| Qualified XII (0.60) | 7,462.460 | 9.32 | 69,550 |
| Qualified XII (0.70) | 3,971.150 | 9.29 | 36,892 |
| Qualified XII (0.75) | 15,837.670 | 9.27 | 146,815 |
| Qualified XII (0.80) | 8,442.001 | 9.25 | 78,089 |
| Qualified XII (0.85) | 2,975.813 | 9.24 | 27,497 |
| Qualified XII (0.90) | 1,421.269 | 9.22 | 13,104 |
| Qualified XII (0.95) | 13,115.121 | 9.20 | 120,659 |
| Qualified XII (1.00) | 5,868.644 | 9.19 | 53,933 |
| Qualified XII (1.10) | 2,352.291 | 9.15 | 21,523 |
| Qualified XII (1.20) | 676.872 | 9.12 | 6,173 |
| Qualified XII (1.25) | 19,241.490 | 9.10 | 175,098 |
| Qualified XII (1.40) | 3,735.188 | 9.05 | 33,803 |
| Qualified XII (1.45) | 6.381 | 9.04 | 58 |
| Qualified XII (1.50) | 173.996 | 9.02 | 1,569 |
| Qualified XV | 480.838 | 9.20 | 4,424 |
| Qualified XVI | 169.983 | 9.02 | 1,533 |
| Qualified XXXIV | 163.521 | 9.27 | 1,516 |
| Qualified XLIII | 8.532 | 9.29 | 79 |
| Qualified LVI | 32,118.430 | 9.44 | 303,198 |
| | <u>192,857.109</u> | | <u>\$ 1,774,792</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 Income Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 25,474.561 | \$ 11.90 | \$ 303,147 |
| ING Solution Income Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 297.962 | \$ 11.60 | \$ 3,456 |
| ING Educator's Direct | 9,317.865 | 11.87 | 110,603 |
| Qualified VI | 139,176.755 | 11.60 | 1,614,450 |
| Qualified X (1.15) | 36,168.989 | 11.68 | 422,454 |
| Qualified X (1.25) | 56,909.603 | 11.60 | 660,151 |
| Qualified XII (0.00) | 6,978.882 | 12.61 | 88,004 |
| Qualified XII (0.05) | 3,249.937 | 12.61 | 40,982 |
| Qualified XII (0.05) | 86,347.722 | 12.61 | 1,088,845 |
| Qualified XII (0.20) | 110,895.059 | 12.44 | 1,379,535 |
| Qualified XII (0.25) | 2,947.135 | 12.40 | 36,544 |
| Qualified XII (0.35) | 26,425.026 | 12.32 | 325,556 |
| Qualified XII (0.40) | 16,855.704 | 12.28 | 206,988 |
| Qualified XII (0.50) | 136,479.457 | 12.20 | 1,665,049 |
| Qualified XII (0.55) | 20,905.004 | 12.16 | 254,205 |
| Qualified XII (0.60) | 11,147.806 | 12.12 | 135,111 |
| Qualified XII (0.65) | 32,990.116 | 12.08 | 398,521 |
| Qualified XII (0.70) | 15,550.699 | 12.03 | 187,075 |
| Qualified XII (0.75) | 45,296.745 | 11.99 | 543,108 |
| Qualified XII (0.80) | 4,005.872 | 11.95 | 47,870 |
| Qualified XII (0.85) | 89,840.285 | 11.92 | 1,070,896 |
| Qualified XII (0.90) | 4,131.806 | 11.88 | 49,086 |
| Qualified XII (0.95) | 69,907.729 | 11.84 | 827,708 |
| Qualified XII (1.00) | 83,052.130 | 11.80 | 980,015 |
| Qualified XII (1.05) | 17,274.946 | 11.76 | 203,153 |
| Qualified XII (1.10) | 18,146.665 | 11.72 | 212,679 |
| Qualified XII (1.15) | 4.773 | 11.68 | 56 |
| Qualified XII (1.20) | 83.595 | 11.64 | 973 |
| Qualified XII (1.25) | 14,660.844 | 11.60 | 170,066 |
| Qualified XII (1.30) | 58.994 | 11.56 | 682 |
| Qualified XII (1.40) | 5,470.847 | 11.49 | 62,860 |
| Qualified XII (1.50) | 670.610 | 11.41 | 7,652 |
| Qualified XVI | 550.879 | 11.41 | 6,286 |
| Qualified XXI | 79.582 | 11.95 | 951 |
| Qualified XXVIII | 1,408.580 | 10.46 | 14,734 |
| Qualified XXXIV | 8,635.928 | 10.40 | 89,814 |
| Qualified XLIII | 201.438 | 10.42 | 2,099 |
| Qualified LIV | 1,079.459 | 12.10 | 13,061 |
| Qualified LVI | 67,208.773 | 12.43 | 835,405 |
| | <u>1,144,414.201</u> | | <u>\$ 13,756,683</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 - Service 2 Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 22,378.965 | \$ 11.10 | \$ 248,407 |
| ING MAP PLUS NP6 | 23,282.326 | 11.04 | 257,037 |
| ING MAP PLUS NP8 | 35,820.487 | 11.02 | 394,742 |
| ING MAP PLUS NP9 | 26,604.693 | 11.01 | 292,918 |
| ING MAP PLUS NP10 | 1,040.324 | 11.00 | 11,444 |
| ING MAP PLUS NP11 | 13,251.990 | 10.99 | 145,639 |
| ING MAP PLUS NP12 | 16,782.617 | 10.98 | 184,273 |
| ING MAP PLUS NP13 | 1,705.146 | 10.97 | 18,705 |
| ING MAP PLUS NP14 | 7,253.210 | 10.96 | 79,495 |
| ING MAP PLUS NP15 | 20,170.777 | 10.95 | 220,870 |
| ING MAP PLUS NP16 | 2,871.529 | 10.94 | 31,415 |
| ING MAP PLUS NP17 | 14,314.023 | 10.93 | 156,452 |
| ING MAP PLUS NP19 | 271.799 | 10.91 | 2,965 |
| ING MAP PLUS NP20 | 89.259 | 10.90 | 973 |
| ING MAP PLUS NP21 | 28,345.579 | 10.89 | 308,683 |
| ING MAP PLUS NP22 | 856.086 | 10.88 | 9,314 |
| ING MAP PLUS NP23 | 17,995.254 | 10.87 | 195,608 |
| ING MAP PLUS NP24 | 2,000.270 | 10.86 | 21,723 |
| ING MAP PLUS NP26 | 2,659.173 | 10.84 | 28,825 |
| ING MAP PLUS NP28 | 3,224.797 | 10.82 | 34,892 |
| ING MAP PLUS NP29 | 105.627 | 10.81 | 1,142 |
| ING MAP PLUS NP30 | 27.410 | 10.80 | 296 |
| | <u>241,051.341</u> | | <u>\$ 2,645,818</u> |
| ING Solution Moderate Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| Qualified VI | 124,292.346 | \$ 9.77 | \$ 1,214,336 |
| Qualified XII (0.40) | 5,248.273 | 10.08 | 52,903 |
| Qualified XII (0.50) | 10,589.963 | 10.04 | 106,323 |
| Qualified XII (0.60) | 20.258 | 10.01 | 203 |
| Qualified XII (0.65) | 15,743.791 | 9.99 | 157,280 |
| Qualified XII (0.70) | 7,419.240 | 9.97 | 73,970 |
| Qualified XII (0.75) | 9,693.290 | 9.95 | 96,448 |
| Qualified XII (0.80) | 21,633.166 | 9.93 | 214,817 |
| Qualified XII (0.85) | 5,232.829 | 9.92 | 51,910 |
| Qualified XII (0.95) | 13,538.952 | 9.88 | 133,765 |
| Qualified XII (1.00) | 21,288.787 | 9.86 | 209,907 |
| Qualified XII (1.05) | 326.264 | 9.84 | 3,210 |
| Qualified XII (1.10) | 3,259.767 | 9.83 | 32,044 |
| Qualified XII (1.15) | 219.229 | 9.81 | 2,151 |
| Qualified XII (1.25) | 10,055.678 | 9.77 | 98,244 |
| Qualified XII (1.40) | 3,490.451 | 9.72 | 33,927 |
| Qualified XII (1.50) | 257.557 | 9.68 | 2,493 |
| Qualified XV | 384.551 | 9.88 | 3,799 |
| Qualified XVI | 151.744 | 9.68 | 1,469 |
| Qualified XXI | 61.418 | 9.93 | 610 |
| Qualified XXXIV | 129.243 | 9.95 | 1,286 |
| Qualified LIV | 35.799 | 9.93 | 355 |
| Qualified LVI | 51,931.428 | 10.14 | 526,585 |
| | <u>305,004.024</u> | | <u>\$ 3,018,035</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 - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 32,325.421 | \$ 12.64 | \$ 408,593 |
| ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Initial Class | | | |
| Currently payable annuity contracts: | 90,228.808 | \$ 13.47 | \$ 1,215,382 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 2,729.043 | 13.12 | 35,805 |
| ING Custom Choice 65 | 148,506.307 | 14.57 | 2,163,737 |
| ING MAP PLUS NP8 | 1,311.583 | 12.29 | 16,119 |
| ING MAP PLUS NP13 | 360.817 | 12.11 | 4,369 |
| ING MAP PLUS NP15 | 767.925 | 12.03 | 9,238 |
| ING MAP PLUS NP17 | 418.336 | 11.96 | 5,003 |
| ING MAP PLUS NP19 | 3,682.452 | 11.89 | 43,784 |
| ING MAP PLUS NP22 | 2,159.363 | 11.78 | 25,437 |
| ING MAP PLUS NP25 | 126.344 | 11.68 | 1,476 |
| ING MAP PLUS NP28 | 217.639 | 11.57 | 2,518 |
| Qualified V | 1,276.269 | 12.97 | 16,553 |
| Qualified VI | 7,462,106.777 | 13.12 | 97,902,841 |
| Qualified VIII | 11,970.501 | 13.11 | 156,933 |
| Qualified X (1.15) | 507,768.024 | 13.21 | 6,707,616 |
| Qualified X (1.25) | 290,619.489 | 13.12 | 3,812,928 |
| Qualified XII (0.00) | 421.627 | 14.79 | 6,236 |
| Qualified XII (0.05) | 148,654.549 | 14.78 | 2,197,114 |
| Qualified XII (0.10) | 441.787 | 14.20 | 6,273 |
| Qualified XII (0.20) | 176,392.725 | 14.50 | 2,557,695 |
| Qualified XII (0.25) | 66,179.627 | 14.46 | 956,957 |
| Qualified XII (0.30) | 77,783.868 | 14.00 | 1,088,974 |
| Qualified XII (0.35) | 25,918.558 | 14.36 | 372,190 |
| Qualified XII (0.40) | 205,801.835 | 13.91 | 2,862,704 |
| Qualified XII (0.45) | 919.545 | 13.86 | 12,745 |
| Qualified XII (0.50) | 566,674.164 | 14.27 | 8,086,440 |
| Qualified XII (0.55) | 139,301.876 | 14.12 | 1,966,942 |
| Qualified XII (0.60) | 147,316.879 | 14.07 | 2,072,748 |
| Qualified XII (0.65) | 967,968.057 | 14.00 | 13,551,553 |
| Qualified XII (0.70) | 285,784.600 | 13.94 | 3,983,837 |
| Qualified XII (0.75) | 274,801.908 | 13.87 | 3,811,502 |
| Qualified XII (0.80) | 660,821.741 | 13.96 | 9,225,072 |
| Qualified XII (0.85) | 722,972.676 | 13.93 | 10,071,009 |
| Qualified XII (0.90) | 52,400.585 | 13.86 | 726,272 |
| Qualified XII (0.95) | 757,468.823 | 13.83 | 10,475,794 |
| Qualified XII (1.00) | 2,071,323.612 | 13.78 | 28,542,839 |
| Qualified XII (1.05) | 111,950.964 | 13.73 | 1,537,087 |
| Qualified XII (1.10) | 199,577.643 | 13.68 | 2,730,222 |
| Qualified XII (1.15) | 140,452.138 | 13.62 | 1,912,958 |
| Qualified XII (1.20) | 44,211.605 | 13.56 | 599,509 |
| Qualified XII (1.25) | 120,706.430 | 13.52 | 1,631,951 |
| Qualified XII (1.30) | 13,903.837 | 13.47 | 187,285 |
| Qualified XII (1.35) | 22.292 | 13.03 | 290 |

**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 (1.40) | 42,238.155 | \$ 13.70 | \$ 578,663 |
| Qualified XII (1.45) | 3,692.688 | 12.94 | 47,783 |
| Qualified XII (1.50) | 16,659.067 | 12.89 | 214,735 |
| Qualified XIII | 16.751 | 13.39 | 224 |
| Qualified XV | 67,779.639 | 13.39 | 907,569 |
| Qualified XVI | 168,548.365 | 12.89 | 2,172,588 |
| Qualified XVII | 11,214.472 | 13.12 | 147,134 |
| Qualified XVIII | 22,266.204 | 13.12 | 292,133 |
| Qualified XXII | 95.214 | 13.86 | 1,320 |
| Qualified XXVII | 4,359,758.713 | 13.43 | 58,551,560 |
| Qualified XXVIII | 968,464.969 | 13.46 | 13,035,538 |
| Qualified XXXII | 11,091.726 | 13.12 | 145,523 |
| Qualified XXXIV | 49,255.007 | 9.79 | 482,207 |
| Qualified XXXVI | 61,796.988 | 13.76 | 850,327 |
| Qualified XXXVIII | 156,104.722 | 10.06 | 1,570,414 |
| Qualified XLIII | 18,164.207 | 9.81 | 178,191 |
| Qualified LIV | 68,263.283 | 14.29 | 975,482 |
| Qualified LVI | 414,599.677 | 14.69 | 6,090,469 |
| | <u>22,944,433.475</u> | | <u>\$ 309,535,797</u> |
| ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 6,641.939 | \$ 14.22 | \$ 94,448 |
| ING MAP PLUS NP8 | 1,351.453 | 13.83 | 18,691 |
| ING MAP PLUS NP11 | 10,534.752 | 13.67 | 144,010 |
| ING MAP PLUS NP12 | 11,147.229 | 13.61 | 151,714 |
| ING MAP PLUS NP15 | 114.103 | 13.45 | 1,535 |
| ING MAP PLUS NP22 | 41.811 | 13.09 | 547 |
| ING MAP PLUS NP25 | 32.406 | 12.93 | 419 |
| Qualified VI | 2.790 | 9.63 | 27 |
| Qualified XII (1.00) | 17,021.943 | 9.88 | 168,177 |
| | <u>46,888.426</u> | | <u>\$ 579,568</u> |
| ING T. Rowe Price Growth Equity Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 98,184.973 | \$ 11.60 | \$ 1,138,946 |
| ING T. Rowe Price Growth Equity Portfolio - Initial Class | | | |
| Currently payable annuity contracts: | 92,978.367 | \$9.35 to \$15.76 | \$ 1,315,046 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 4,710.387 | 12.92 | 60,858 |
| ING Custom Choice 65 | 23,615.097 | 13.27 | 313,372 |
| Qualified V | 1,555.716 | 23.50 | 36,559 |
| Qualified VI | 2,311,579.558 | 23.63 | 54,622,625 |
| Qualified VIII | 1,581.715 | 24.10 | 38,119 |
| Qualified X (1.15) | 133,586.945 | 26.91 | 3,594,825 |
| Qualified X (1.25) | 146,417.477 | 26.47 | 3,875,671 |
| Qualified XII (0.00) | 3,066.419 | 16.98 | 52,068 |
| Qualified XII (0.05) | 22,286.655 | 26.95 | 600,625 |

**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 (0.10) | 168.090 | \$ 16.75 | \$ 2,816 |
| Qualified XII (0.20) | 312,739.667 | 16.53 | 5,169,587 |
| Qualified XII (0.25) | 45,945.551 | 16.42 | 754,426 |
| Qualified XII (0.30) | 56,616.289 | 16.30 | 922,846 |
| Qualified XII (0.35) | 6,309.090 | 16.19 | 102,144 |
| Qualified XII (0.40) | 124,121.810 | 24.52 | 3,043,467 |
| Qualified XII (0.45) | 230.659 | 15.97 | 3,684 |
| Qualified XII (0.50) | 526,758.166 | 16.58 | 8,733,650 |
| Qualified XII (0.55) | 97,093.035 | 15.76 | 1,530,186 |
| Qualified XII (0.60) | 681,405.562 | 15.65 | 10,663,997 |
| Qualified XII (0.65) | 398,657.153 | 15.55 | 6,199,119 |
| Qualified XII (0.70) | 168,571.782 | 15.44 | 2,602,748 |
| Qualified XII (0.75) | 158,893.113 | 15.34 | 2,437,420 |
| Qualified XII (0.80) | 242,211.791 | 16.78 | 4,064,314 |
| Qualified XII (0.85) | 448,410.126 | 23.17 | 10,389,663 |
| Qualified XII (0.90) | 6,581.726 | 16.07 | 105,768 |
| Qualified XII (0.95) | 373,676.441 | 22.81 | 8,523,560 |
| Qualified XII (1.00) | 731,263.900 | 22.64 | 16,555,815 |
| Qualified XII (1.05) | 42,262.380 | 22.46 | 949,213 |
| Qualified XII (1.10) | 56,363.834 | 22.28 | 1,255,786 |
| Qualified XII (1.15) | 57,192.562 | 22.11 | 1,264,528 |
| Qualified XII (1.20) | 11,771.543 | 21.94 | 258,268 |
| Qualified XII (1.25) | 71,920.329 | 21.77 | 1,565,706 |
| Qualified XII (1.30) | 4,983.415 | 21.60 | 107,642 |
| Qualified XII (1.35) | 45.532 | 21.43 | 976 |
| Qualified XII (1.40) | 12,141.487 | 21.26 | 258,128 |
| Qualified XII (1.45) | 703.911 | 21.10 | 14,853 |
| Qualified XII (1.50) | 3,000.146 | 20.93 | 62,793 |
| Qualified XIII | 205.168 | 24.76 | 5,080 |
| Qualified XV | 5,066.045 | 24.72 | 125,233 |
| Qualified XVI | 80,933.817 | 22.77 | 1,842,863 |
| Qualified XVII | 3,267.923 | 23.63 | 77,221 |
| Qualified XVIII | 5,177.426 | 26.47 | 137,046 |
| Qualified XXI | 32,697.217 | 25.19 | 823,643 |
| Qualified XXII | 51.384 | 26.06 | 1,339 |
| Qualified XXVII | 1,109,815.365 | 28.03 | 31,108,125 |
| Qualified XXVIII | 666,877.413 | 27.99 | 18,665,899 |
| Qualified XXXII | 5,201.870 | 13.05 | 67,884 |
| Qualified XXXIII (0.65) | 25,717.058 | 13.65 | 351,038 |
| Qualified XXXIV | 30,682.217 | 9.08 | 278,595 |
| Qualified XXXVI | 13,414.894 | 13.79 | 184,991 |
| Qualified XXXVIII | 67,182.850 | 9.34 | 627,488 |
| Qualified XLIII | 6,052.811 | 9.10 | 55,081 |
| Qualified LIV | 55,305.941 | 13.02 | 720,083 |
| Qualified LVI | 115,102.844 | 13.39 | 1,541,227 |
| Qualified LIX | 3,949.857 | 13.94 | 55,061 |
| | <u>9,608,119.526</u> | | <u>\$ 208,720,768</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 Growth Equity Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 11,903.921 | \$ 13.37 | \$ 159,155 |
| ING MAP PLUS NP4 | 2,463.557 | 13.21 | 32,544 |
| ING MAP PLUS NP6 | 10,468.886 | 13.11 | 137,247 |
| ING MAP PLUS NP8 | 3,629.618 | 13.00 | 47,185 |
| ING MAP PLUS NP9 | 2,349.978 | 12.95 | 30,432 |
| ING MAP PLUS NP11 | 53,407.132 | 12.85 | 686,282 |
| ING MAP PLUS NP12 | 642.574 | 12.80 | 8,225 |
| ING MAP PLUS NP13 | 753.024 | 12.75 | 9,601 |
| ING MAP PLUS NP14 | 9,753.696 | 12.70 | 123,872 |
| ING MAP PLUS NP15 | 6,898.061 | 12.65 | 87,260 |
| ING MAP PLUS NP16 | 5,221.031 | 12.60 | 65,785 |
| ING MAP PLUS NP17 | 1,168.955 | 12.55 | 14,670 |
| ING MAP PLUS NP18 | 610.294 | 12.50 | 7,629 |
| ING MAP PLUS NP19 | 2,694.280 | 12.45 | 33,544 |
| ING MAP PLUS NP21 | 1,818.249 | 12.35 | 22,455 |
| ING MAP PLUS NP22 | 673.488 | 12.30 | 8,284 |
| ING MAP PLUS NP23 | 1,978.106 | 12.26 | 24,252 |
| ING MAP PLUS NP26 | 1,727.950 | 12.11 | 20,925 |
| ING MAP PLUS NP27 | 525.039 | 12.06 | 6,332 |
| ING MAP PLUS NP30 | 327.167 | 11.92 | 3,900 |
| ING MAP PLUS NP32 | 1,443.779 | 11.83 | 17,080 |
| Qualified XII (1.00) | 36,020.596 | 14.07 | 506,810 |
| | <u>156,479.381</u> | | <u>\$ 2,053,469</u> |
| ING Templeton Foreign Equity Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 58,774.952 | \$ 7.78 | \$ 457,269 |
| ING Templeton Foreign Equity Portfolio - Initial Class | | | |
| Currently payable annuity contracts: | 279,719.238 | \$7.54 to \$7.69 | \$ 2,149,030 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 1,476.289 | 7.66 | 11,308 |
| ING Custom Choice 65 | 12,979.670 | 7.91 | 102,669 |
| Qualified V | 1,924.381 | 7.62 | 14,664 |
| Qualified VI | 2,288,873.042 | 7.66 | 17,532,768 |
| Qualified VIII | 22,867.641 | 7.66 | 175,166 |
| Qualified X (1.15) | 261,051.330 | 7.69 | 2,007,485 |
| Qualified X (1.25) | 151,947.153 | 7.66 | 1,163,915 |
| Qualified XII (0.00) | 3,735.628 | 8.03 | 29,997 |
| Qualified XII (0.05) | 38,642.394 | 8.03 | 310,298 |
| Qualified XII (0.10) | 287.445 | 8.00 | 2,300 |
| Qualified XII (0.20) | 72,327.694 | 7.97 | 576,452 |
| Qualified XII (0.25) | 24,025.695 | 7.96 | 191,245 |
| Qualified XII (0.30) | 41,985.146 | 7.94 | 333,362 |
| Qualified XII (0.35) | 4,404.237 | 7.93 | 34,926 |
| Qualified XII (0.40) | 44,256.794 | 7.91 | 350,071 |
| Qualified XII (0.45) | 67.911 | 7.90 | 536 |
| Qualified XII (0.50) | 217,250.049 | 7.88 | 1,711,930 |

**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 XII (0.55) | 63,549.996 | \$ 7.87 | \$ 500,138 |
| Qualified XII (0.60) | 29,906.325 | 7.85 | 234,765 |
| Qualified XII (0.65) | 814,703.870 | 7.84 | 6,387,278 |
| Qualified XII (0.70) | 210,242.454 | 7.82 | 1,644,096 |
| Qualified XII (0.75) | 105,300.264 | 7.81 | 822,395 |
| Qualified XII (0.80) | 292,580.436 | 7.79 | 2,279,202 |
| Qualified XII (0.85) | 395,047.299 | 7.78 | 3,073,468 |
| Qualified XII (0.90) | 21,567.387 | 7.77 | 167,579 |
| Qualified XII (0.95) | 275,241.924 | 7.75 | 2,133,125 |
| Qualified XII (1.00) | 1,000,279.318 | 7.74 | 7,742,162 |
| Qualified XII (1.05) | 30,949.588 | 7.72 | 238,931 |
| Qualified XII (1.10) | 55,304.422 | 7.71 | 426,397 |
| Qualified XII (1.15) | 36,943.057 | 7.69 | 284,092 |
| Qualified XII (1.20) | 5,261.888 | 7.68 | 40,411 |
| Qualified XII (1.25) | 54,272.691 | 7.66 | 415,729 |
| Qualified XII (1.30) | 3,086.892 | 7.65 | 23,615 |
| Qualified XII (1.35) | 1,212.948 | 7.64 | 9,267 |
| Qualified XII (1.40) | 13,821.920 | 7.62 | 105,323 |
| Qualified XII (1.45) | 5,122.686 | 7.61 | 38,984 |
| Qualified XII (1.50) | 1,885.619 | 7.59 | 14,312 |
| Qualified XV | 30,677.806 | 7.75 | 237,753 |
| Qualified XVI | 57,718.763 | 7.59 | 438,085 |
| Qualified XVII | 203.042 | 7.66 | 1,555 |
| Qualified XVIII | 4,051.620 | 7.66 | 31,035 |
| Qualified XXVII | 2,451,372.756 | 7.67 | 18,802,029 |
| Qualified XXVIII | 483,304.135 | 7.69 | 3,716,609 |
| Qualified XXXII | 41,332.321 | 7.66 | 316,606 |
| Qualified XXXIII (0.65) | 351.805 | 7.84 | 2,758 |
| Qualified XXXIV | 1,166.831 | 7.81 | 9,113 |
| Qualified XXXVI | 22,033.584 | 7.87 | 173,404 |
| Qualified XXXVIII | 64,734.875 | 8.03 | 519,821 |
| Qualified LIV | 18,827.349 | 7.79 | 146,665 |
| Qualified LVI | 36,821.399 | 7.96 | 293,098 |
| Qualified LIX | 3,241.706 | 7.88 | 25,545 |
| | <u>10,099,940.713</u> | | <u>\$ 77,993,467</u> |
| ING Templeton Foreign Equity Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 4,378.904 | \$ 9.69 | \$ 42,432 |
| ING MAP PLUS NP12 | 440.235 | 9.40 | 4,138 |
| ING MAP PLUS NP16 | 1,768.816 | 9.29 | 16,432 |
| ING MAP PLUS NP23 | 852.319 | 9.11 | 7,765 |
| ING MAP PLUS NP25 | 2.119 | 9.05 | 19 |
| ING MAP PLUS NP26 | 33.440 | 9.03 | 302 |
| ING MAP PLUS NP28 | 1,536.582 | 8.98 | 13,799 |
| ING MAP PLUS NP29 | 73.704 | 8.95 | 660 |
| Qualified XII (0.75) | 47.753 | 9.29 | 444 |
| Qualified XII (0.95) | 2.122 | 9.18 | 19 |
| | <u>9,135.994</u> | | <u>\$ 86,010</u> |

**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 - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 59,697.188 | \$ 10.29 | \$ 614,284 |
| ING Thornburg Value Portfolio - Initial Class | | | |
| Currently payable annuity contracts: | 56,864.251 | \$6.01 to \$23.49 | \$ 745,017 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 2,004.477 | 11.27 | 22,590 |
| ING Custom Choice 65 | 9,551.644 | 11.17 | 106,692 |
| Qualified V | 1,503.180 | 22.92 | 34,453 |
| Qualified VI | 690,225.559 | 23.49 | 16,213,398 |
| Qualified VIII | 1,954.389 | 20.17 | 39,420 |
| Qualified X (1.15) | 67,357.845 | 10.35 | 697,154 |
| Qualified X (1.25) | 63,990.248 | 10.21 | 653,340 |
| Qualified XII (0.00) | 108.060 | 12.25 | 1,324 |
| Qualified XII (0.05) | 9,721.295 | 26.80 | 260,531 |
| Qualified XII (0.10) | 2.123 | 12.08 | 26 |
| Qualified XII (0.20) | 52,476.675 | 11.92 | 625,522 |
| Qualified XII (0.25) | 14,575.844 | 11.84 | 172,578 |
| Qualified XII (0.30) | 22,469.598 | 11.76 | 264,242 |
| Qualified XII (0.35) | 1,920.727 | 11.68 | 22,434 |
| Qualified XII (0.40) | 14,450.083 | 17.03 | 246,085 |
| Qualified XII (0.45) | 3.911 | 11.52 | 45 |
| Qualified XII (0.50) | 57,008.055 | 12.14 | 692,078 |
| Qualified XII (0.55) | 52,261.077 | 11.37 | 594,208 |
| Qualified XII (0.60) | 10,278.127 | 11.29 | 116,040 |
| Qualified XII (0.65) | 188,645.543 | 11.21 | 2,114,717 |
| Qualified XII (0.70) | 56,454.618 | 11.14 | 628,904 |
| Qualified XII (0.75) | 103,688.410 | 11.06 | 1,146,794 |
| Qualified XII (0.80) | 99,081.894 | 12.43 | 1,231,588 |
| Qualified XII (0.85) | 209,361.235 | 16.10 | 3,370,716 |
| Qualified XII (0.90) | 6,693.713 | 11.87 | 79,454 |
| Qualified XII (0.95) | 113,521.857 | 15.85 | 1,799,321 |
| Qualified XII (1.00) | 474,212.139 | 15.72 | 7,454,615 |
| Qualified XII (1.05) | 25,114.427 | 15.60 | 391,785 |
| Qualified XII (1.10) | 38,843.708 | 15.48 | 601,301 |
| Qualified XII (1.15) | 15,090.856 | 15.36 | 231,796 |
| Qualified XII (1.20) | 2,049.449 | 15.24 | 31,234 |
| Qualified XII (1.25) | 26,911.547 | 15.12 | 406,903 |
| Qualified XII (1.30) | 1,192.493 | 15.00 | 17,887 |
| Qualified XII (1.40) | 10,533.959 | 14.77 | 155,587 |
| Qualified XII (1.45) | 859.382 | 14.65 | 12,590 |
| Qualified XII (1.50) | 577.865 | 14.54 | 8,402 |
| Qualified XV | 13,008.801 | 24.58 | 319,756 |
| Qualified XVI | 14,264.840 | 22.64 | 322,956 |
| Qualified XVIII | 5,854.765 | 10.21 | 59,777 |
| Qualified XXVII | 820,395.060 | 29.36 | 24,086,799 |
| Qualified XXVIII | 293,693.643 | 29.32 | 8,611,098 |
| Qualified XXXII | 2,156.488 | 11.35 | 24,476 |

**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 XXXIV | 28,476.820 | \$ 7.82 | \$ 222,689 |
| Qualified XXXVI | 4,423.915 | 10.13 | 44,814 |
| Qualified XXXVIII | 38,301.748 | 8.04 | 307,946 |
| Qualified XLIII | 416.536 | 7.84 | 3,266 |
| Qualified LIV | 18,930.382 | 10.96 | 207,477 |
| Qualified LVI | 28,612.816 | 11.26 | 322,180 |
| Qualified LIX | 1,297.528 | 10.24 | 13,287 |
| | <u>3,771,393.605</u> | | <u>\$ 75,737,292</u> |
| ING UBS U.S. Large Cap Equity Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 8,605.370 | \$ 9.58 | \$ 82,439 |
| ING UBS U.S. Large Cap Equity Portfolio - Initial Class | | | |
| Currently payable annuity contracts: | 38,059.244 | \$10.93 to \$12.29 | \$ 456,653 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 949.105 | 11.66 | 11,067 |
| ING Custom Choice 65 | 12,733.007 | 11.23 | 142,992 |
| Qualified V | 1,857.640 | 15.51 | 28,812 |
| Qualified VI | 1,721,434.689 | 15.99 | 27,525,741 |
| Qualified VII | 19,781.164 | 13.59 | 268,826 |
| Qualified VIII | 5,688.022 | 13.47 | 76,618 |
| Qualified IX | 2,349.623 | 13.73 | 32,260 |
| Qualified X (1.15) | 59,373.874 | 16.28 | 966,607 |
| Qualified X (1.25) | 132,304.428 | 15.99 | 2,115,548 |
| Qualified XII (0.00) | 114.675 | 11.91 | 1,366 |
| Qualified XII (0.05) | 14,610.817 | 18.24 | 266,501 |
| Qualified XII (0.10) | 106.233 | 11.74 | 1,247 |
| Qualified XII (0.20) | 26,775.930 | 11.59 | 310,333 |
| Qualified XII (0.25) | 27,809.165 | 11.51 | 320,083 |
| Qualified XII (0.30) | 34,987.558 | 11.43 | 399,908 |
| Qualified XII (0.35) | 6,036.571 | 11.35 | 68,515 |
| Qualified XII (0.40) | 17,765.311 | 11.34 | 201,459 |
| Qualified XII (0.45) | 676.348 | 11.20 | 7,575 |
| Qualified XII (0.50) | 93,264.214 | 11.70 | 1,091,191 |
| Qualified XII (0.55) | 41,692.773 | 11.05 | 460,705 |
| Qualified XII (0.60) | 21,939.454 | 10.97 | 240,676 |
| Qualified XII (0.65) | 153,427.791 | 10.90 | 1,672,363 |
| Qualified XII (0.70) | 81,801.983 | 10.82 | 885,097 |
| Qualified XII (0.75) | 105,740.343 | 10.75 | 1,136,709 |
| Qualified XII (0.80) | 175,640.745 | 11.82 | 2,076,074 |
| Qualified XII (0.85) | 296,147.668 | 10.71 | 3,171,742 |
| Qualified XII (0.90) | 5,685.651 | 11.36 | 64,589 |
| Qualified XII (0.95) | 245,727.324 | 10.55 | 2,592,423 |
| Qualified XII (1.00) | 254,154.605 | 10.47 | 2,660,999 |
| Qualified XII (1.05) | 17,483.250 | 10.38 | 181,476 |
| Qualified XII (1.10) | 19,940.776 | 10.30 | 205,390 |
| Qualified XII (1.15) | 38,479.593 | 10.22 | 393,261 |
| Qualified XII (1.20) | 4,530.188 | 10.14 | 45,936 |

**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 XII (1.25) | 17,231.768 | \$ 10.06 | \$ 173,352 |
| Qualified XII (1.30) | 1.885 | 9.99 | 19 |
| Qualified XII (1.40) | 16,265.508 | 9.83 | 159,890 |
| Qualified XII (1.45) | 1,230.611 | 9.75 | 11,998 |
| Qualified XII (1.50) | 241.439 | 9.68 | 2,337 |
| Qualified XIII | 446.154 | 16.75 | 7,473 |
| Qualified XV | 14,570.564 | 16.73 | 243,766 |
| Qualified XVI | 45,489.892 | 15.41 | 700,999 |
| Qualified XVII | 19,106.149 | 15.99 | 305,507 |
| Qualified XVIII | 6,166.687 | 15.99 | 98,605 |
| Qualified XIX | 9,699.220 | 10.57 | 102,521 |
| Qualified XX | 1,220.413 | 13.86 | 16,915 |
| Qualified XXVII | 567,354.380 | 15.59 | 8,845,055 |
| Qualified XXVIII | 194,983.693 | 15.57 | 3,035,896 |
| Qualified XXX | 27,523.947 | 13.48 | 371,023 |
| Qualified XXXII | 43,782.727 | 11.93 | 522,328 |
| Qualified XXXIV | 16,096.593 | 8.15 | 131,187 |
| Qualified XXXVI | 25,740.588 | 11.30 | 290,869 |
| Qualified XXXVIII | 53,421.394 | 8.38 | 447,671 |
| Qualified XLIII | 275.624 | 8.17 | 2,252 |
| Qualified LIV | 25,568.439 | 11.02 | 281,764 |
| Qualified LVI | 93,388.533 | 11.33 | 1,058,092 |
| | <u>4,858,875.970</u> | | <u>\$ 66,890,261</u> |
| ING UBS U.S. Large Cap Equity Portfolio - Service Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XII (1.00) | 1,934.567 | \$ 9.20 | \$ 17,798 |
| ING Core Equity Research Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP8 | 6,189.099 | \$ 15.19 | \$ 94,012 |
| ING MAP PLUS NP9 | 308.277 | 15.17 | 4,677 |
| ING MAP PLUS NP12 | 530.837 | 15.10 | 8,016 |
| ING MAP PLUS NP19 | 14.352 | 14.95 | 215 |
| ING MAP PLUS NP21 | 30.301 | 14.90 | 451 |
| ING MAP PLUS NP22 | 316.783 | 14.88 | 4,714 |
| ING MAP PLUS NP23 | 774.523 | 14.86 | 11,509 |
| ING MAP PLUS NP24 | 1,591.972 | 14.84 | 23,625 |
| ING MAP PLUS NP25 | 2,011.566 | 14.81 | 29,791 |
| ING MAP PLUS NP26 | 825.577 | 14.79 | 12,210 |
| | <u>12,593.287</u> | | <u>\$ 189,220</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|--------------|--------------------|-----------------------|
| ING Strategic Allocation Conservative Portfolio - Class I | | | |
| Currently payable annuity contracts: | 87,337.825 | \$11.68 to \$18.89 | \$ 1,099,686 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 482.773 | 12.07 | 5,827 |
| ING Custom Choice 65 | 1,857.901 | 12.05 | 22,388 |
| ING MAP PLUS NP1 | 17,099.537 | 12.73 | 217,677 |
| ING MAP PLUS NP6 | 13,995.609 | 12.48 | 174,665 |
| ING MAP PLUS NP8 | 5,850.525 | 12.39 | 72,488 |
| ING MAP PLUS NP9 | 28.197 | 12.34 | 348 |
| ING MAP PLUS NP11 | 23,339.766 | 12.24 | 285,679 |
| ING MAP PLUS NP12 | 21,504.705 | 12.19 | 262,142 |
| ING MAP PLUS NP13 | 5,710.867 | 12.14 | 69,330 |
| ING MAP PLUS NP15 | 55,845.040 | 12.05 | 672,933 |
| ING MAP PLUS NP17 | 1,004.962 | 11.95 | 12,009 |
| ING MAP PLUS NP19 | 9,912.847 | 11.86 | 117,566 |
| ING MAP PLUS NP20 | 3,998.760 | 11.81 | 47,225 |
| ING MAP PLUS NP21 | 25,017.423 | 11.76 | 294,205 |
| ING MAP PLUS NP22 | 3,060.487 | 11.72 | 35,869 |
| ING MAP PLUS NP23 | 7,585.301 | 11.67 | 88,520 |
| ING MAP PLUS NP25 | 33,703.601 | 11.58 | 390,288 |
| ING MAP PLUS NP26 | 2,709.742 | 11.53 | 31,243 |
| ING MAP PLUS NP30 | 2,591.895 | 11.35 | 29,418 |
| Qualified V | 309.929 | 18.40 | 5,703 |
| Qualified VI | 341,197.602 | 18.89 | 6,445,223 |
| Qualified X (1.15) | 43,123.121 | 19.29 | 831,845 |
| Qualified X (1.25) | 24,154.257 | 18.97 | 458,206 |
| Qualified XII (0.00) | 1,083.296 | 15.75 | 17,062 |
| Qualified XII (0.05) | 6,327.887 | 21.55 | 136,366 |
| Qualified XII (0.10) | 8.965 | 15.54 | 139 |
| Qualified XII (0.20) | 1,287.941 | 15.33 | 19,744 |
| Qualified XII (0.25) | 20,934.931 | 15.23 | 318,839 |
| Qualified XII (0.30) | 13,470.687 | 15.12 | 203,677 |
| Qualified XII (0.35) | 178.130 | 15.02 | 2,676 |
| Qualified XII (0.40) | 24,119.129 | 19.42 | 468,393 |
| Qualified XII (0.45) | 20.567 | 14.82 | 305 |
| Qualified XII (0.50) | 119,693.839 | 15.04 | 1,800,195 |
| Qualified XII (0.55) | 8,223.151 | 14.62 | 120,222 |
| Qualified XII (0.60) | 4,228.051 | 14.52 | 61,391 |
| Qualified XII (0.65) | 13,154.806 | 14.42 | 189,692 |
| Qualified XII (0.70) | 27,254.642 | 14.32 | 390,286 |
| Qualified XII (0.75) | 76,760.539 | 14.23 | 1,092,302 |
| Qualified XII (0.80) | 38,966.248 | 14.65 | 570,856 |
| Qualified XII (0.85) | 59,961.822 | 18.35 | 1,100,299 |
| Qualified XII (0.90) | 27,964.489 | 14.36 | 401,570 |
| Qualified XII (0.95) | 73,152.055 | 18.06 | 1,321,126 |
| Qualified XII (1.00) | 216,658.603 | 17.92 | 3,882,522 |
| Qualified XII (1.05) | 20,597.957 | 17.78 | 366,232 |
| Qualified XII (1.10) | 37,234.562 | 17.64 | 656,818 |
| Qualified XII (1.15) | 20,624.727 | 17.51 | 361,139 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|----------------------|-------------------|-----------------------|
| ING Strategic Allocation Conservative Portfolio - Class I | | | |
| (continued) | | | |
| Qualified XII (1.20) | 5,340.690 | \$ 17.37 | \$ 92,768 |
| Qualified XII (1.25) | 42,428.513 | 17.23 | 731,043 |
| Qualified XII (1.30) | 1,298.592 | 17.10 | 22,206 |
| Qualified XII (1.40) | 12,232.361 | 16.83 | 205,871 |
| Qualified XII (1.45) | 1,031.235 | 16.70 | 17,222 |
| Qualified XII (1.50) | 227.245 | 16.57 | 3,765 |
| Qualified XV | 8,986.223 | 19.76 | 177,568 |
| Qualified XVI | 9,972.418 | 18.21 | 181,598 |
| Qualified XVII | 10,814.310 | 19.88 | 214,988 |
| Qualified XVIII | 26,467.160 | 19.97 | 528,549 |
| Qualified XXVII | 96,278.039 | 19.43 | 1,870,682 |
| Qualified XXVIII | 64,675.724 | 19.41 | 1,255,356 |
| Qualified XXXII | 1,638.827 | 12.06 | 19,764 |
| Qualified XXXIII (0.65) | 8,785.847 | 13.31 | 116,940 |
| Qualified XXXIV | 5,610.408 | 9.91 | 55,599 |
| Qualified XXXVI | 6,786.736 | 13.46 | 91,349 |
| Qualified XXXVIII | 2,340.307 | 10.19 | 23,848 |
| Qualified LIV | 4,543.531 | 11.83 | 53,750 |
| Qualified LVI | 66,540.230 | 12.18 | 810,460 |
| Qualified LIX | 805.985 | 13.65 | 11,002 |
| | <u>1,920,134.077</u> | | <u>\$ 31,636,662</u> |
| ING Strategic Allocation Growth Portfolio - Class I | | | |
| Currently payable annuity contracts: | 49,166.218 | \$9.48 to \$12.41 | \$ 581,131 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 65 | 5,009.476 | 11.26 | 56,407 |
| ING MAP PLUS NP1 | 94,162.596 | 12.04 | 1,133,718 |
| ING MAP PLUS NP4 | 174.196 | 11.90 | 2,073 |
| ING MAP PLUS NP6 | 16,105.796 | 11.81 | 190,209 |
| ING MAP PLUS NP8 | 7,911.770 | 11.71 | 92,647 |
| ING MAP PLUS NP11 | 41,446.850 | 11.57 | 479,540 |
| ING MAP PLUS NP12 | 31,917.439 | 11.53 | 368,008 |
| ING MAP PLUS NP13 | 1,604.938 | 11.48 | 18,425 |
| ING MAP PLUS NP14 | 72.163 | 11.44 | 826 |
| ING MAP PLUS NP15 | 90,214.079 | 11.39 | 1,027,538 |
| ING MAP PLUS NP16 | 379.135 | 11.35 | 4,303 |
| ING MAP PLUS NP17 | 2,925.746 | 11.30 | 33,061 |
| ING MAP PLUS NP19 | 8,964.682 | 11.21 | 100,494 |
| ING MAP PLUS NP20 | 16,819.676 | 11.17 | 187,876 |
| ING MAP PLUS NP21 | 29,372.471 | 11.13 | 326,916 |
| ING MAP PLUS NP22 | 145.233 | 11.08 | 1,609 |
| ING MAP PLUS NP23 | 1,100.063 | 11.04 | 12,145 |
| ING MAP PLUS NP25 | 18,145.266 | 10.95 | 198,691 |
| ING MAP PLUS NP26 | 1,292.065 | 10.91 | 14,096 |
| ING MAP PLUS NP29 | 0.505 | 10.78 | 5 |
| ING MAP PLUS NP30 | 3,152.185 | 10.74 | 33,854 |
| Qualified V | 1,622.512 | 17.62 | 28,589 |
| Qualified VI | 1,104,551.538 | 18.09 | 19,981,337 |
| Qualified VIII | 61.692 | 18.06 | 1,114 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|----------------------|-------------------|-----------------------|
| ING Strategic Allocation Growth Portfolio - Class I (continued) | | | |
| Qualified X (1.15) | 91,642.516 | \$ 18.91 | \$ 1,732,960 |
| Qualified X (1.25) | 56,232.298 | 18.60 | 1,045,921 |
| Qualified XII (0.00) | 4,083.589 | 12.79 | 52,229 |
| Qualified XII (0.05) | 4,058.536 | 20.63 | 83,728 |
| Qualified XII (0.20) | 2,127.844 | 12.44 | 26,470 |
| Qualified XII (0.25) | 4,650.850 | 12.36 | 57,485 |
| Qualified XII (0.30) | 39,951.080 | 12.27 | 490,200 |
| Qualified XII (0.35) | 1,089.962 | 12.19 | 13,287 |
| Qualified XII (0.40) | 19,911.332 | 17.91 | 356,612 |
| Qualified XII (0.50) | 382,662.077 | 12.36 | 4,729,703 |
| Qualified XII (0.55) | 62,216.858 | 11.86 | 737,892 |
| Qualified XII (0.60) | 33,316.928 | 11.78 | 392,473 |
| Qualified XII (0.65) | 69,783.726 | 11.70 | 816,470 |
| Qualified XII (0.70) | 75,884.183 | 11.62 | 881,774 |
| Qualified XII (0.75) | 181,459.607 | 11.54 | 2,094,044 |
| Qualified XII (0.80) | 71,756.015 | 12.19 | 874,706 |
| Qualified XII (0.85) | 177,327.594 | 16.93 | 3,002,156 |
| Qualified XII (0.90) | 18,682.846 | 11.86 | 221,579 |
| Qualified XII (0.95) | 136,484.699 | 16.66 | 2,273,835 |
| Qualified XII (1.00) | 355,824.897 | 16.53 | 5,881,786 |
| Qualified XII (1.05) | 38,434.360 | 16.40 | 630,324 |
| Qualified XII (1.10) | 59,959.878 | 16.28 | 976,147 |
| Qualified XII (1.15) | 48,131.568 | 16.15 | 777,325 |
| Qualified XII (1.20) | 8,351.741 | 16.02 | 133,795 |
| Qualified XII (1.25) | 51,876.753 | 15.90 | 824,840 |
| Qualified XII (1.30) | 58.419 | 15.78 | 922 |
| Qualified XII (1.40) | 18,909.714 | 15.53 | 293,668 |
| Qualified XII (1.45) | 300.072 | 15.41 | 4,624 |
| Qualified XII (1.50) | 1,666.959 | 15.29 | 25,488 |
| Qualified XIII | 330.846 | 18.95 | 6,270 |
| Qualified XV | 4,416.659 | 18.92 | 83,563 |
| Qualified XVI | 32,710.640 | 17.43 | 570,146 |
| Qualified XVIII | 2,458.804 | 19.57 | 48,119 |
| Qualified XXII | 1,446.155 | 19.95 | 28,851 |
| Qualified XXVII | 173,741.853 | 18.60 | 3,231,598 |
| Qualified XXVIII | 101,101.293 | 18.58 | 1,878,462 |
| Qualified XXXII | 4,227.033 | 11.60 | 49,034 |
| Qualified XXXIII (0.65) | 6,658.034 | 12.22 | 81,361 |
| Qualified XXXIV | 25,629.046 | 8.45 | 216,565 |
| Qualified XXXVI | 9,564.758 | 12.35 | 118,125 |
| Qualified XXXVIII | 17,839.525 | 8.68 | 154,847 |
| Qualified XLIII | 141.360 | 8.47 | 1,197 |
| Qualified LIV | 17,551.955 | 11.06 | 194,125 |
| Qualified LVI | 40,241.884 | 11.38 | 457,953 |
| | <u>3,981,215.036</u> | | <u>\$ 61,427,271</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|--------------|--------------------|-----------------------|
| ING Strategic Allocation Moderate Portfolio - Class I | | | |
| Currently payable annuity contracts: | 88,652.803 | \$10.47 to \$12.99 | \$ 1,082,597 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 65 | 201.445 | 11.65 | 2,347 |
| ING MAP PLUS NP1 | 16,633.266 | 12.39 | 206,086 |
| ING MAP PLUS NP6 | 44,223.358 | 12.14 | 536,872 |
| ING MAP PLUS NP8 | 22,539.843 | 12.05 | 271,605 |
| ING MAP PLUS NP9 | 322.864 | 12.00 | 3,874 |
| ING MAP PLUS NP11 | 30,622.536 | 11.91 | 364,714 |
| ING MAP PLUS NP12 | 110,580.381 | 11.86 | 1,311,483 |
| ING MAP PLUS NP13 | 10,837.534 | 11.81 | 127,991 |
| ING MAP PLUS NP14 | 2,042.726 | 11.77 | 24,043 |
| ING MAP PLUS NP15 | 81,089.797 | 11.72 | 950,372 |
| ING MAP PLUS NP16 | 294.943 | 11.67 | 3,442 |
| ING MAP PLUS NP17 | 8,313.630 | 11.63 | 96,688 |
| ING MAP PLUS NP19 | 18,636.569 | 11.54 | 215,066 |
| ING MAP PLUS NP20 | 8,363.117 | 11.49 | 96,092 |
| ING MAP PLUS NP21 | 11,169.570 | 11.44 | 127,780 |
| ING MAP PLUS NP22 | 159.546 | 11.40 | 1,819 |
| ING MAP PLUS NP23 | 8,199.001 | 11.35 | 93,059 |
| ING MAP PLUS NP25 | 17,826.169 | 11.26 | 200,723 |
| ING MAP PLUS NP26 | 6,056.864 | 11.22 | 67,958 |
| ING MAP PLUS NP30 | 5,994.409 | 11.04 | 66,178 |
| Qualified V | 1,409.155 | 17.78 | 25,055 |
| Qualified VI | 911,715.157 | 18.26 | 16,647,919 |
| Qualified VIII | 365.523 | 18.23 | 6,663 |
| Qualified X (1.15) | 46,371.755 | 19.00 | 881,063 |
| Qualified X (1.25) | 45,221.344 | 18.69 | 845,187 |
| Qualified XII (0.00) | 2,285.395 | 13.96 | 31,904 |
| Qualified XII (0.05) | 4,313.852 | 20.83 | 89,858 |
| Qualified XII (0.20) | 13,363.105 | 13.58 | 181,471 |
| Qualified XII (0.25) | 13,765.456 | 13.49 | 185,696 |
| Qualified XII (0.30) | 22,138.193 | 13.40 | 296,652 |
| Qualified XII (0.35) | 2,079.085 | 13.31 | 27,673 |
| Qualified XII (0.40) | 50,479.899 | 18.38 | 927,821 |
| Qualified XII (0.45) | 33.542 | 13.13 | 440 |
| Qualified XII (0.50) | 420,768.217 | 13.43 | 5,650,917 |
| Qualified XII (0.55) | 254,295.989 | 12.95 | 3,293,133 |
| Qualified XII (0.60) | 26,586.138 | 12.86 | 341,898 |
| Qualified XII (0.65) | 108,783.344 | 12.78 | 1,390,251 |
| Qualified XII (0.70) | 70,692.789 | 12.69 | 897,091 |
| Qualified XII (0.75) | 215,822.725 | 12.60 | 2,719,366 |
| Qualified XII (0.80) | 79,287.577 | 13.20 | 1,046,596 |
| Qualified XII (0.85) | 84,516.277 | 17.37 | 1,468,048 |
| Qualified XII (0.90) | 12,882.563 | 12.86 | 165,670 |
| Qualified XII (0.95) | 173,263.544 | 17.10 | 2,962,807 |
| Qualified XII (1.00) | 193,617.408 | 16.96 | 3,283,751 |
| Qualified XII (1.05) | 30,668.670 | 16.83 | 516,154 |
| Qualified XII (1.10) | 50,628.057 | 16.70 | 845,489 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|----------------------|---------------------|-----------------------|
| ING Strategic Allocation Moderate Portfolio - Class I | | | |
| (continued) | | | |
| Qualified XII (1.15) | 45,609.775 | \$ 16.57 | \$ 755,754 |
| Qualified XII (1.20) | 16,254.511 | 16.44 | 267,224 |
| Qualified XII (1.25) | 86,534.309 | 16.31 | 1,411,375 |
| Qualified XII (1.30) | 119.980 | 16.19 | 1,942 |
| Qualified XII (1.40) | 18,920.979 | 15.94 | 301,600 |
| Qualified XII (1.45) | 757.830 | 15.81 | 11,981 |
| Qualified XII (1.50) | 1,570.940 | 15.69 | 24,648 |
| Qualified XIII | 288.763 | 19.13 | 5,524 |
| Qualified XV | 3,913.474 | 19.10 | 74,747 |
| Qualified XVI | 14,411.245 | 17.60 | 253,638 |
| Qualified XVIII | 3,114.665 | 19.67 | 61,265 |
| Qualified XXII | 508.938 | 20.14 | 10,250 |
| Qualified XXVII | 122,760.129 | 18.78 | 2,305,435 |
| Qualified XXVIII | 48,892.242 | 18.75 | 916,730 |
| Qualified XXXII | 1,784.053 | 11.83 | 21,105 |
| Qualified XXXIII (0.65) | 3,410.697 | 12.75 | 43,486 |
| Qualified XXXIV | 15,214.840 | 9.12 | 138,759 |
| Qualified XXXVI | 5,071.466 | 12.89 | 65,371 |
| Qualified XXXVIII | 14,466.661 | 9.37 | 135,553 |
| Qualified LIV | 8,463.213 | 11.44 | 96,819 |
| Qualified LVI | 33,945.066 | 11.77 | 399,533 |
| | <u>3,774,128.906</u> | | <u>\$ 57,882,101</u> |
| ING Growth and Income Portfolio - Class A | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 88,745.061 | \$ 9.65 | \$ 856,390 |
| ING Growth and Income Portfolio - Class I | | | |
| Currently payable annuity contracts: | | | |
| | 1,065,113.146 | \$11.38 to \$308.39 | \$ 75,809,381 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 5,547.579 | 12.32 | 68,346 |
| ING Custom Choice 65 | 125,758.065 | 12.39 | 1,558,142 |
| ING MAP PLUS NP28 | 71.526 | 10.91 | 780 |
| ING MAP PLUS NP32 | 57.553 | 10.88 | 626 |
| Qualified I | 21,655.403 | 296.73 | 6,425,808 |
| Qualified V | 967.898 | 22.35 | 21,633 |
| Qualified VI | 18,198,773.670 | 22.87 | 416,205,954 |
| Qualified VII | 1,579,338.241 | 21.73 | 34,319,020 |
| Qualified VIII | 13,641.066 | 21.22 | 289,463 |
| Qualified IX | 4,043.457 | 22.69 | 91,746 |
| Qualified X (1.15) | 944,847.652 | 23.29 | 22,005,502 |
| Qualified X (1.25) | 2,556,514.652 | 22.87 | 58,467,490 |
| Qualified XII (0.05) | 117,176.639 | 26.09 | 3,057,139 |
| Qualified XII (0.10) | 188.496 | 10.77 | 2,030 |
| Qualified XII (0.20) | 311,170.169 | 10.62 | 3,304,627 |
| Qualified XII (0.25) | 272,901.536 | 10.55 | 2,879,111 |
| Qualified XII (0.30) | 376,096.119 | 10.48 | 3,941,487 |
| Qualified XII (0.35) | 69,216.672 | 10.41 | 720,546 |
| Qualified XII (0.40) | 274,781.320 | 17.05 | 4,685,022 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|-----------------------|-------------------|-------------------------|
| ING Growth and Income Portfolio - Class I (continued) | | | |
| Qualified XII (0.45) | 2,078.809 | \$ 10.27 | \$ 21,349 |
| Qualified XII (0.50) | 847,975.275 | 10.72 | 9,090,295 |
| Qualified XII (0.55) | 506,040.997 | 10.13 | 5,126,195 |
| Qualified XII (0.60) | 425,911.296 | 10.06 | 4,284,668 |
| Qualified XII (0.65) | 1,161,693.893 | 9.99 | 11,605,322 |
| Qualified XII (0.70) | 788,908.793 | 9.92 | 7,825,975 |
| Qualified XII (0.75) | 1,303,429.429 | 9.86 | 12,851,814 |
| Qualified XII (0.80) | 2,497,907.404 | 10.73 | 26,802,546 |
| Qualified XII (0.85) | 2,300,920.960 | 16.11 | 37,067,837 |
| Qualified XII (0.90) | 197,096.259 | 10.31 | 2,032,062 |
| Qualified XII (0.95) | 1,861,396.397 | 15.86 | 29,521,747 |
| Qualified XII (1.00) | 3,122,470.092 | 15.74 | 49,147,679 |
| Qualified XII (1.05) | 192,711.550 | 15.61 | 3,008,227 |
| Qualified XII (1.10) | 227,291.684 | 15.49 | 3,520,748 |
| Qualified XII (1.15) | 499,692.726 | 15.37 | 7,680,277 |
| Qualified XII (1.20) | 35,569.576 | 15.25 | 542,436 |
| Qualified XII (1.25) | 105,339.237 | 15.13 | 1,593,783 |
| Qualified XII (1.30) | 8,004.836 | 15.01 | 120,153 |
| Qualified XII (1.35) | 7,342.840 | 14.90 | 109,408 |
| Qualified XII (1.40) | 54,653.581 | 14.78 | 807,780 |
| Qualified XII (1.45) | 2,560.159 | 14.67 | 37,558 |
| Qualified XII (1.50) | 9,333.995 | 14.55 | 135,810 |
| Qualified XIII | 1,649.790 | 23.97 | 39,545 |
| Qualified XV | 55,857.341 | 23.93 | 1,336,666 |
| Qualified XVI | 374,687.439 | 22.05 | 8,261,858 |
| Qualified XVII | 912,331.236 | 23.72 | 21,640,497 |
| Qualified XVIII | 1,012,270.793 | 23.72 | 24,011,063 |
| Qualified XIX | 4,613.616 | 307.74 | 1,419,794 |
| Qualified XX | 22,158.833 | 232.32 | 5,147,940 |
| Qualified XXI | 896.680 | 24.39 | 21,870 |
| Qualified XXII | 674.521 | 25.23 | 17,018 |
| Qualified XXVII | 429,960.089 | 230.41 | 99,067,104 |
| Qualified XXVIII | 20,273.355 | 230.10 | 4,664,899 |
| Qualified XXIX | 846.092 | 224.01 | 189,533 |
| Qualified XXX | 14,600.771 | 217.89 | 3,181,362 |
| Qualified XXXII | 309,546.724 | 12.58 | 3,894,098 |
| Qualified XXXIV | 134,901.235 | 8.82 | 1,189,829 |
| Qualified XXXVI | 160,471.231 | 11.52 | 1,848,629 |
| Qualified XXXVIII | 385,420.278 | 9.07 | 3,495,762 |
| Qualified XLII | 295,155.959 | 9.07 | 2,677,065 |
| Qualified XLIII | 23,494.519 | 8.84 | 207,692 |
| Qualified LIV | 202,806.601 | 12.16 | 2,466,128 |
| Qualified LVI | 1,006,097.025 | 12.51 | 12,586,274 |
| Qualified LIX | 2,376.878 | 11.68 | 27,762 |
| | <u>47,467,281.653</u> | | <u>\$ 1,044,179,910</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|--------------------|-------------------|-----------------------|
| ING Growth and Income Portfolio - Class S | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP8 | 19,230.571 | \$ 13.95 | \$ 268,266 |
| ING MAP PLUS NP11 | 24.974 | 13.90 | 347 |
| ING MAP PLUS NP17 | 620.627 | 13.79 | 8,558 |
| ING MAP PLUS NP18 | 1,497.282 | 13.77 | 20,618 |
| ING MAP PLUS NP19 | 1,576.519 | 13.75 | 21,677 |
| ING MAP PLUS NP21 | 205.997 | 13.72 | 2,826 |
| ING MAP PLUS NP22 | 443.023 | 13.70 | 6,069 |
| ING MAP PLUS NP23 | 1,270.375 | 13.68 | 17,379 |
| ING MAP PLUS NP26 | 1,183.343 | 13.63 | 16,129 |
| ING MAP PLUS NP28 | 52.762 | 13.59 | 717 |
| ING MAP PLUS NP30 | 75.062 | 13.55 | 1,017 |
| Qualified XII (0.00) | 870.203 | 9.90 | 8,615 |
| Qualified XII (0.20) | 16.826 | 9.82 | 165 |
| Qualified XII (0.50) | 709,687.898 | 9.69 | 6,876,876 |
| Qualified XII (0.75) | 528.777 | 9.58 | 5,066 |
| | <u>737,284.239</u> | | <u>\$ 7,254,325</u> |
| ING GET U.S. Core Portfolio - Series 7 | | | |
| Contracts in accumulation period: | | | |
| Qualified X (1.15) | 30,370.350 | \$ 10.14 | \$ 307,955 |
| Qualified X (1.25) | 24,015.731 | 10.14 | 243,520 |
| Qualified XVIII | 1,426.196 | 10.14 | 14,462 |
| Qualified XXVII | 37,878.170 | 10.50 | 397,721 |
| Qualified XXXII | 246.392 | 10.14 | 2,498 |
| | <u>93,936.839</u> | | <u>\$ 966,156</u> |
| ING GET U.S. Core Portfolio - Series 8 | | | |
| Contracts in accumulation period: | | | |
| Qualified X (1.15) | 11,301.319 | \$ 10.13 | \$ 114,482 |
| Qualified X (1.25) | 5,817.731 | 10.13 | 58,934 |
| Qualified XVIII | 14,626.546 | 10.14 | 148,313 |
| Qualified XXXII | 764.255 | 10.13 | 7,742 |
| | <u>32,509.851</u> | | <u>\$ 329,471</u> |
| ING GET U.S. Core Portfolio - Series 9 | | | |
| Contracts in accumulation period: | | | |
| Qualified X (1.15) | 1,732.072 | \$ 10.24 | \$ 17,736 |
| Qualified X (1.25) | 7,891.564 | 10.24 | 80,810 |
| | <u>9,623.636</u> | | <u>\$ 98,546</u> |
| ING GET U.S. Core Portfolio - Series 10 | | | |
| Contracts in accumulation period: | | | |
| Qualified X (1.15) | 8.368 | \$ 10.18 | \$ 85 |
| Qualified X (1.25) | 4,583.762 | 10.17 | 46,617 |
| | <u>4,592.130</u> | | <u>\$ 46,702</u> |
| ING GET U.S. Core Portfolio - Series 11 | | | |
| Contracts in accumulation period: | | | |
| Qualified X (1.15) | 2,147.784 | \$ 10.47 | \$ 22,487 |
| Qualified X (1.25) | 819.249 | 10.47 | 8,578 |
| | <u>2,967.033</u> | | <u>\$ 31,065</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 BlackRock Science and Technology Opportunities | | | |
| Portfolio - Adviser Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 262.205 | \$ 8.39 | \$ 2,200 |
| ING BlackRock Science and Technology Opportunities | | | |
| Portfolio - Class I | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 1,448.236 | \$ 14.23 | \$ 20,608 |
| ING Custom Choice 65 | 8,956.721 | 15.37 | 137,665 |
| ING MAP PLUS NP6 | 350.496 | 12.95 | 4,539 |
| ING MAP PLUS NP8 | 6,214.008 | 12.85 | 79,850 |
| ING MAP PLUS NP11 | 1,996.387 | 12.70 | 25,354 |
| ING MAP PLUS NP12 | 1,001.836 | 12.65 | 12,673 |
| ING MAP PLUS NP13 | 900.998 | 12.60 | 11,353 |
| ING MAP PLUS NP14 | 9,514.196 | 12.55 | 119,403 |
| ING MAP PLUS NP15 | 5,223.174 | 12.50 | 65,290 |
| ING MAP PLUS NP16 | 1,034.832 | 12.45 | 12,884 |
| ING MAP PLUS NP18 | 3,278.012 | 12.35 | 40,483 |
| ING MAP PLUS NP19 | 463.937 | 12.30 | 5,706 |
| ING MAP PLUS NP20 | 2,100.089 | 12.25 | 25,726 |
| ING MAP PLUS NP21 | 930.218 | 12.21 | 11,358 |
| ING MAP PLUS NP22 | 2.705 | 12.16 | 33 |
| ING MAP PLUS NP23 | 3,994.226 | 12.11 | 48,370 |
| ING MAP PLUS NP25 | 3,354.265 | 12.01 | 40,285 |
| ING MAP PLUS NP26 | 290.282 | 11.97 | 3,475 |
| Qualified V | 2,337.574 | 4.51 | 10,542 |
| Qualified VI | 2,474,648.187 | 4.60 | 11,383,382 |
| Qualified X (1.15) | 114,751.634 | 4.65 | 533,595 |
| Qualified X (1.25) | 148,302.817 | 4.60 | 682,193 |
| Qualified XII (0.00) | 12,654.466 | 5.32 | 67,322 |
| Qualified XII (0.05) | 135,782.166 | 5.18 | 703,352 |
| Qualified XII (0.20) | 26,472.387 | 5.20 | 137,656 |
| Qualified XII (0.25) | 55,269.147 | 5.17 | 285,741 |
| Qualified XII (0.30) | 47,478.018 | 5.14 | 244,037 |
| Qualified XII (0.40) | 99,572.323 | 5.08 | 505,827 |
| Qualified XII (0.50) | 756,139.936 | 5.02 | 3,795,822 |
| Qualified XII (0.55) | 42,772.453 | 4.99 | 213,435 |
| Qualified XII (0.60) | 26,410.391 | 4.96 | 130,996 |
| Qualified XII (0.65) | 699,305.396 | 4.93 | 3,447,576 |
| Qualified XII (0.70) | 57,394.488 | 4.90 | 281,233 |
| Qualified XII (0.75) | 284,725.047 | 4.87 | 1,386,611 |
| Qualified XII (0.80) | 486,017.853 | 4.84 | 2,352,326 |
| Qualified XII (0.85) | 456,067.135 | 4.82 | 2,198,244 |
| Qualified XII (0.90) | 17,145.808 | 4.79 | 82,128 |
| Qualified XII (0.95) | 255,800.756 | 4.76 | 1,217,612 |
| Qualified XII (1.00) | 1,134,018.672 | 4.73 | 5,363,908 |
| Qualified XII (1.05) | 21,712.283 | 4.70 | 102,048 |
| Qualified XII (1.10) | 51,352.929 | 4.68 | 240,332 |
| Qualified XII (1.15) | 21,954.378 | 4.65 | 102,088 |
| Qualified XII (1.20) | 12,436.439 | 4.62 | 57,456 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---|----------------------|-------------------|-----------------------|
| ING BlackRock Science and Technology Opportunities Portfolio - Class I (continued) | | | |
| Qualified XII (1.25) | 104,860.349 | \$ 4.59 | \$ 481,309 |
| Qualified XII (1.30) | 2,814.681 | 4.57 | 12,863 |
| Qualified XII (1.40) | 16,081.867 | 4.51 | 72,529 |
| Qualified XII (1.45) | 2,323.339 | 4.49 | 10,432 |
| Qualified XII (1.50) | 1,497.626 | 4.46 | 6,679 |
| Qualified XV | 19,838.767 | 4.76 | 94,433 |
| Qualified XVI | 63,612.989 | 4.46 | 283,714 |
| Qualified XVII | 3,319.904 | 4.68 | 15,537 |
| Qualified XVIII | 1,042.501 | 4.73 | 4,931 |
| Qualified XXI | 129,544.608 | 4.85 | 628,291 |
| Qualified XXVII | 1,454,534.935 | 4.62 | 6,719,951 |
| Qualified XXXII | 257.940 | 12.76 | 3,291 |
| Qualified XXXIV | 1,839.756 | 9.26 | 17,036 |
| Qualified XXXVI | 8,334.175 | 11.92 | 99,343 |
| Qualified XXXVIII | 9,378.596 | 9.52 | 89,284 |
| Qualified XLIII | 2,116.360 | 9.28 | 19,640 |
| Qualified LIV | 11,997.771 | 15.09 | 181,046 |
| Qualified LVI | 51,530.522 | 15.53 | 800,269 |
| Qualified LIX | 2,338.266 | 12.09 | 28,270 |
| | <u>9,378,842.253</u> | | <u>\$ 45,759,365</u> |
| ING Index Plus LargeCap Portfolio - Class I | | | |
| Currently payable annuity contracts: | 253,900.495 | \$8.03 to \$18.98 | \$ 3,111,161 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 8,825.330 | 11.42 | 100,785 |
| ING Custom Choice 65 | 38,736.845 | 11.43 | 442,762 |
| ING MAP PLUS NP1 | 15,872.639 | 11.76 | 186,662 |
| ING MAP PLUS NP4 | 15,541.638 | 11.62 | 180,594 |
| ING MAP PLUS NP6 | 177.127 | 11.53 | 2,042 |
| ING MAP PLUS NP8 | 34,007.542 | 11.44 | 389,046 |
| ING MAP PLUS NP9 | 66,376.233 | 11.39 | 756,025 |
| ING MAP PLUS NP11 | 13,210.893 | 11.30 | 149,283 |
| ING MAP PLUS NP12 | 3,080.753 | 11.26 | 34,689 |
| ING MAP PLUS NP13 | 2,075.198 | 11.21 | 23,263 |
| ING MAP PLUS NP14 | 5,297.073 | 11.17 | 59,168 |
| ING MAP PLUS NP15 | 6,686.633 | 11.13 | 74,422 |
| ING MAP PLUS NP16 | 1,316.847 | 11.08 | 14,591 |
| ING MAP PLUS NP17 | 6,001.452 | 11.04 | 66,256 |
| ING MAP PLUS NP18 | 2,654.882 | 10.99 | 29,177 |
| ING MAP PLUS NP19 | 1,304.409 | 10.95 | 14,283 |
| ING MAP PLUS NP20 | 6,036.833 | 10.91 | 65,862 |
| ING MAP PLUS NP21 | 14,340.483 | 10.87 | 155,881 |
| ING MAP PLUS NP22 | 945.667 | 10.82 | 10,232 |
| ING MAP PLUS NP23 | 1,275.953 | 10.78 | 13,755 |
| ING MAP PLUS NP24 | 874.677 | 10.74 | 9,394 |
| ING MAP PLUS NP26 | 2,674.688 | 10.65 | 28,485 |
| ING MAP PLUS NP27 | 310.732 | 10.61 | 3,297 |
| ING MAP PLUS NP28 | 1,218.474 | 10.57 | 12,879 |
| ING MAP PLUS NP29 | 2.807 | 10.53 | 30 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|---------------|-------------------|-----------------------|
| ING Index Plus LargeCap Portfolio - Class I (continued) | | | |
| ING MAP PLUS NP30 | 977.853 | \$ 10.49 | \$ 10,258 |
| ING MAP PLUS NP32 | 650.684 | 10.40 | 6,767 |
| Qualified V | 51.009 | 18.52 | 945 |
| Qualified VI | 4,493,942.514 | 18.98 | 85,295,029 |
| Qualified VIII | 2,274.632 | 18.95 | 43,104 |
| Qualified X (1.15) | 244,931.405 | 19.27 | 4,719,828 |
| Qualified X (1.25) | 259,678.194 | 18.98 | 4,928,692 |
| Qualified XII (0.00) | 19.916 | 13.48 | 268 |
| Qualified XII (0.05) | 136,949.592 | 21.65 | 2,964,959 |
| Qualified XII (0.10) | 293.812 | 13.30 | 3,908 |
| Qualified XII (0.20) | 101,530.601 | 13.12 | 1,332,081 |
| Qualified XII (0.25) | 98,685.678 | 13.03 | 1,285,874 |
| Qualified XII (0.30) | 38,953.010 | 12.94 | 504,052 |
| Qualified XII (0.35) | 12,359.708 | 12.86 | 158,946 |
| Qualified XII (0.40) | 178,882.976 | 21.36 | 3,820,940 |
| Qualified XII (0.45) | 633.984 | 12.68 | 8,039 |
| Qualified XII (0.50) | 450,565.046 | 13.39 | 6,033,066 |
| Qualified XII (0.55) | 171,386.899 | 12.51 | 2,144,050 |
| Qualified XII (0.60) | 102,712.372 | 12.43 | 1,276,715 |
| Qualified XII (0.65) | 498,992.267 | 12.34 | 6,157,565 |
| Qualified XII (0.70) | 275,989.062 | 12.26 | 3,383,626 |
| Qualified XII (0.75) | 470,982.433 | 12.17 | 5,731,856 |
| Qualified XII (0.80) | 736,738.176 | 13.49 | 9,938,598 |
| Qualified XII (0.85) | 722,676.249 | 20.17 | 14,576,380 |
| Qualified XII (0.90) | 49,280.707 | 12.91 | 636,214 |
| Qualified XII (0.95) | 507,392.535 | 19.87 | 10,081,890 |
| Qualified XII (1.00) | 2,055,559.024 | 19.72 | 40,535,624 |
| Qualified XII (1.05) | 38,261.543 | 19.57 | 748,778 |
| Qualified XII (1.10) | 130,402.823 | 19.42 | 2,532,423 |
| Qualified XII (1.15) | 150,031.124 | 19.27 | 2,891,100 |
| Qualified XII (1.20) | 22,162.917 | 19.12 | 423,755 |
| Qualified XII (1.25) | 119,041.814 | 18.98 | 2,259,414 |
| Qualified XII (1.30) | 5,723.477 | 18.83 | 107,773 |
| Qualified XII (1.35) | 410.323 | 18.69 | 7,669 |
| Qualified XII (1.40) | 13,105.219 | 18.55 | 243,102 |
| Qualified XII (1.45) | 6,759.743 | 18.40 | 124,379 |
| Qualified XII (1.50) | 5,763.907 | 18.26 | 105,249 |
| Qualified XV | 21,794.336 | 19.85 | 432,618 |
| Qualified XVI | 96,281.314 | 18.29 | 1,760,985 |
| Qualified XVII | 13,728.856 | 19.25 | 264,280 |
| Qualified XVIII | 29,138.040 | 19.97 | 581,887 |
| Qualified XXVII | 1,326,055.924 | 19.52 | 25,884,612 |
| Qualified XXVIII | 290,726.039 | 19.49 | 5,666,251 |
| Qualified XXXII | 14,732.809 | 11.61 | 171,048 |
| Qualified XXXIII (0.65) | 9,586.524 | 11.39 | 109,191 |
| Qualified XXXIV | 25,770.385 | 8.46 | 218,017 |
| Qualified XXXVI | 44,667.570 | 11.51 | 514,124 |
| Qualified XXXVIII | 141,117.675 | 8.69 | 1,226,313 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|-----------------------|-------------------|-----------------------|
| ING Index Plus LargeCap Portfolio - Class I (continued) | | | |
| Qualified XLIII | 6,553.116 | 8.47 | 55,505 |
| Qualified LIV | 105,309.197 | 11.22 | 1,181,569 |
| Qualified LVI | 321,626.394 | 11.55 | 3,714,785 |
| Qualified LIX | 10,290.097 | 11.68 | 120,188 |
| | <u>15,064,877.807</u> | | <u>\$ 262,858,313</u> |
| ING Index Plus LargeCap Portfolio - Class S | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 36,667.016 | \$ 10.44 | \$ 382,804 |
| ING Index Plus MidCap Portfolio - Class I | | | |
| Currently payable annuity contracts: | 93,730.245 | \$ 13.82 | \$ 1,295,352 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 8,394.924 | 13.64 | 114,507 |
| ING Custom Choice 65 | 17,050.972 | 12.99 | 221,492 |
| ING MAP PLUS NP1 | 16,474.847 | 14.06 | 231,636 |
| ING MAP PLUS NP6 | 1,981.528 | 13.78 | 27,305 |
| ING MAP PLUS NP8 | 16,820.444 | 13.68 | 230,104 |
| ING MAP PLUS NP9 | 30,521.622 | 13.62 | 415,704 |
| ING MAP PLUS NP10 | 82.091 | 13.57 | 1,114 |
| ING MAP PLUS NP11 | 7,532.919 | 13.51 | 101,770 |
| ING MAP PLUS NP12 | 11,315.304 | 13.46 | 152,304 |
| ING MAP PLUS NP13 | 2,808.823 | 13.41 | 37,666 |
| ING MAP PLUS NP14 | 21,150.137 | 13.35 | 282,354 |
| ING MAP PLUS NP15 | 10,876.098 | 13.30 | 144,652 |
| ING MAP PLUS NP16 | 856.851 | 13.25 | 11,353 |
| ING MAP PLUS NP17 | 627.287 | 13.20 | 8,280 |
| ING MAP PLUS NP18 | 1,698.009 | 13.15 | 22,329 |
| ING MAP PLUS NP19 | 5,027.622 | 13.09 | 65,812 |
| ING MAP PLUS NP21 | 4,185.702 | 12.99 | 54,372 |
| ING MAP PLUS NP22 | 1,163.351 | 12.94 | 15,054 |
| ING MAP PLUS NP23 | 3,260.708 | 12.89 | 42,031 |
| ING MAP PLUS NP24 | 550.383 | 12.84 | 7,067 |
| ING MAP PLUS NP25 | 23.439 | 12.79 | 300 |
| ING MAP PLUS NP26 | 1,154.904 | 12.74 | 14,713 |
| ING MAP PLUS NP28 | 3,428.819 | 12.64 | 43,340 |
| ING MAP PLUS NP29 | 1,587.768 | 12.59 | 19,990 |
| ING MAP PLUS NP30 | 1,394.317 | 12.54 | 17,485 |
| Qualified V | 485.437 | 21.42 | 10,398 |
| Qualified VI | 2,506,418.553 | 21.90 | 54,890,566 |
| Qualified VIII | 248.129 | 21.88 | 5,429 |
| Qualified X (1.15) | 84,304.151 | 22.20 | 1,871,552 |
| Qualified X (1.25) | 176,725.076 | 21.90 | 3,870,279 |
| Qualified XII (0.00) | 3,884.632 | 26.58 | 103,254 |
| Qualified XII (0.05) | 156,460.689 | 24.88 | 3,892,742 |
| Qualified XII (0.05) | 60,367.293 | 24.88 | 1,501,938 |
| Qualified XII (0.10) | 35.241 | 26.22 | 924 |
| Qualified XII (0.20) | 174,024.473 | 25.86 | 4,500,273 |
| Qualified XII (0.25) | 86,553.389 | 25.69 | 2,223,557 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|-----------------------|-------------------|-----------------------|
| ING Index Plus MidCap Portfolio - Class I (continued) | | | |
| Qualified XII (0.30) | 43,620.221 | \$ 25.51 | \$ 1,112,752 |
| Qualified XII (0.35) | 1,699.935 | 25.34 | 43,076 |
| Qualified XII (0.40) | 188,067.275 | 24.53 | 4,613,290 |
| Qualified XII (0.50) | 393,949.225 | 24.27 | 9,561,148 |
| Qualified XII (0.55) | 120,941.504 | 24.66 | 2,982,417 |
| Qualified XII (0.60) | 1,029,153.274 | 24.49 | 25,203,964 |
| Qualified XII (0.65) | 584,189.031 | 24.33 | 14,213,319 |
| Qualified XII (0.70) | 114,053.411 | 24.16 | 2,755,530 |
| Qualified XII (0.75) | 244,990.228 | 24.00 | 5,879,765 |
| Qualified XII (0.80) | 380,697.938 | 23.29 | 8,866,455 |
| Qualified XII (0.85) | 632,017.466 | 23.13 | 14,618,564 |
| Qualified XII (0.90) | 44,198.720 | 22.97 | 1,015,245 |
| Qualified XII (0.95) | 433,511.577 | 22.82 | 9,892,734 |
| Qualified XII (1.00) | 1,145,391.489 | 22.66 | 25,954,571 |
| Qualified XII (1.05) | 39,895.408 | 22.51 | 898,046 |
| Qualified XII (1.10) | 112,517.264 | 22.35 | 2,514,761 |
| Qualified XII (1.15) | 96,921.641 | 22.20 | 2,151,660 |
| Qualified XII (1.20) | 19,580.242 | 22.05 | 431,744 |
| Qualified XII (1.25) | 131,858.002 | 21.90 | 2,887,690 |
| Qualified XII (1.30) | 3,875.811 | 21.75 | 84,299 |
| Qualified XII (1.35) | 660.410 | 21.60 | 14,265 |
| Qualified XII (1.40) | 11,665.386 | 21.45 | 250,223 |
| Qualified XII (1.45) | 3,528.080 | 21.31 | 75,183 |
| Qualified XII (1.50) | 2,318.459 | 21.16 | 49,059 |
| Qualified XV | 11,765.277 | 22.82 | 268,484 |
| Qualified XVI | 71,484.601 | 21.16 | 1,512,614 |
| Qualified XVII | 1,324.464 | 21.90 | 29,006 |
| Qualified XVIII | 8,045.171 | 21.90 | 176,189 |
| Qualified XXVII | 1,773,436.516 | 23.45 | 41,587,086 |
| Qualified XXVIII | 771,243.752 | 23.42 | 18,062,529 |
| Qualified XXXII | 9,105.974 | 13.65 | 124,297 |
| Qualified XXXIII (0.65) | 13,600.607 | 16.55 | 225,090 |
| Qualified XXXIV | 29,609.864 | 9.33 | 276,260 |
| Qualified XXXVI | 33,026.718 | 16.73 | 552,537 |
| Qualified XXXVIII | 100,861.803 | 9.59 | 967,265 |
| Qualified XLIII | 4,191.138 | 9.35 | 39,187 |
| Qualified LIV | 116,036.507 | 12.76 | 1,480,626 |
| Qualified LVI | 200,750.832 | 13.13 | 2,635,858 |
| Qualified LIX | 374.166 | 16.97 | 6,350 |
| | <u>12,437,365.564</u> | | <u>\$ 280,462,136</u> |
| ING Index Plus MidCap Portfolio - Class S | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 34,209.998 | \$ 11.36 | \$ 388,626 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|---------------|-------------------|-----------------------|
| ING Index Plus SmallCap Portfolio - Class I | | | |
| Currently payable annuity contracts: | 51,788.435 | \$ 13.32 | \$ 689,822 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 6,814.430 | 13.00 | 88,588 |
| ING Custom Choice 65 | 7,360.309 | 12.11 | 89,133 |
| ING MAP PLUS NP1 | 19,665.258 | 13.37 | 262,924 |
| ING MAP PLUS NP6 | 5,710.400 | 13.11 | 74,863 |
| ING MAP PLUS NP8 | 4,759.165 | 13.01 | 61,917 |
| ING MAP PLUS NP9 | 12,106.585 | 12.96 | 156,901 |
| ING MAP PLUS NP10 | 81.773 | 12.90 | 1,055 |
| ING MAP PLUS NP11 | 28,755.752 | 12.85 | 369,511 |
| ING MAP PLUS NP12 | 14,239.920 | 12.80 | 182,271 |
| ING MAP PLUS NP13 | 1,456.883 | 12.75 | 18,575 |
| ING MAP PLUS NP14 | 7,192.931 | 12.70 | 91,350 |
| ING MAP PLUS NP15 | 1,391.182 | 12.65 | 17,598 |
| ING MAP PLUS NP16 | 121.424 | 12.60 | 1,530 |
| ING MAP PLUS NP17 | 110.935 | 12.55 | 1,392 |
| ING MAP PLUS NP18 | 519.228 | 12.50 | 6,490 |
| ING MAP PLUS NP19 | 4,413.618 | 12.45 | 54,950 |
| ING MAP PLUS NP20 | 1,495.555 | 12.40 | 18,545 |
| ING MAP PLUS NP21 | 1,483.919 | 12.36 | 18,341 |
| ING MAP PLUS NP22 | 694.193 | 12.31 | 8,546 |
| ING MAP PLUS NP23 | 1,037.604 | 12.26 | 12,721 |
| ING MAP PLUS NP26 | 1,741.770 | 12.11 | 21,093 |
| ING MAP PLUS NP28 | 2,201.932 | 12.02 | 26,467 |
| ING MAP PLUS NP29 | 60.148 | 11.97 | 720 |
| Qualified V | 2,669.773 | 15.30 | 40,848 |
| Qualified VI | 1,426,342.881 | 15.64 | 22,308,003 |
| Qualified X (1.15) | 39,740.568 | 15.86 | 630,285 |
| Qualified X (1.25) | 114,110.759 | 15.64 | 1,784,692 |
| Qualified XII (0.00) | 31.755 | 19.30 | 613 |
| Qualified XII (0.05) | 102,530.346 | 17.77 | 1,821,964 |
| Qualified XII (0.05) | 15,807.716 | 17.77 | 280,903 |
| Qualified XII (0.10) | 99.785 | 19.04 | 1,900 |
| Qualified XII (0.20) | 114,736.627 | 18.78 | 2,154,754 |
| Qualified XII (0.25) | 22,071.503 | 18.65 | 411,634 |
| Qualified XII (0.30) | 24,379.012 | 18.53 | 451,743 |
| Qualified XII (0.35) | 1,161.452 | 18.40 | 21,371 |
| Qualified XII (0.40) | 150,542.704 | 17.52 | 2,637,508 |
| Qualified XII (0.50) | 322,594.342 | 17.33 | 5,590,560 |
| Qualified XII (0.55) | 51,422.619 | 17.91 | 920,979 |
| Qualified XII (0.60) | 28,920.379 | 17.78 | 514,204 |
| Qualified XII (0.65) | 266,756.787 | 17.66 | 4,710,925 |
| Qualified XII (0.70) | 61,093.713 | 17.54 | 1,071,584 |
| Qualified XII (0.75) | 117,831.108 | 17.42 | 2,052,618 |
| Qualified XII (0.80) | 299,261.671 | 16.64 | 4,979,714 |
| Qualified XII (0.85) | 386,222.279 | 16.52 | 6,380,392 |
| Qualified XII (0.90) | 47,531.107 | 16.41 | 779,985 |
| Qualified XII (0.95) | 247,589.802 | 16.30 | 4,035,714 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|----------------------|--------------------|-----------------------|
| ING Index Plus SmallCap Portfolio - Class I (continued) | | | |
| Qualified XII (1.00) | 764,655.060 | \$ 16.19 | \$ 12,379,765 |
| Qualified XII (1.05) | 11,802.144 | 16.08 | 189,778 |
| Qualified XII (1.10) | 72,019.152 | 15.97 | 1,150,146 |
| Qualified XII (1.15) | 51,154.265 | 15.86 | 811,307 |
| Qualified XII (1.20) | 18,575.146 | 15.75 | 292,559 |
| Qualified XII (1.25) | 78,982.843 | 15.64 | 1,235,292 |
| Qualified XII (1.30) | 1,349.936 | 15.54 | 20,978 |
| Qualified XII (1.35) | 1.259 | 15.43 | 19 |
| Qualified XII (1.40) | 8,932.166 | 15.33 | 136,930 |
| Qualified XII (1.45) | 2,098.281 | 15.22 | 31,936 |
| Qualified XII (1.50) | 2,425.873 | 15.12 | 36,679 |
| Qualified XV | 12,383.602 | 16.30 | 201,853 |
| Qualified XVI | 51,897.970 | 15.12 | 784,697 |
| Qualified XVII | 71.075 | 15.64 | 1,112 |
| Qualified XVIII | 8,682.842 | 15.64 | 135,800 |
| Qualified XXVII | 1,085,529.852 | 16.71 | 18,139,204 |
| Qualified XXVIII | 378,699.289 | 16.69 | 6,320,491 |
| Qualified XXXII | 2,077.998 | 13.08 | 27,180 |
| Qualified XXXIII (0.65) | 13,063.770 | 16.23 | 212,025 |
| Qualified XXXIV | 10,665.603 | 9.19 | 98,017 |
| Qualified XXXVI | 15,773.895 | 16.41 | 258,850 |
| Qualified XXXVIII | 60,076.887 | 9.45 | 567,727 |
| Qualified XLIII | 2,951.556 | 9.21 | 27,184 |
| Qualified LIV | 24,021.999 | 11.89 | 285,622 |
| Qualified LVI | 107,579.787 | 12.23 | 1,315,701 |
| Qualified LIX | 1,253.064 | 16.64 | 20,851 |
| | <u>6,805,377.351</u> | | <u>\$ 110,539,899</u> |
| ING Index Plus SmallCap Portfolio - Class S | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 17,144.491 | \$ 10.53 | \$ 180,531 |
| ING International Index Portfolio - Class I | | | |
| Currently payable annuity contracts: | 44,945.618 | \$12.31 to \$12.49 | \$ 560,785 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 319.752 | 6.90 | 2,206 |
| ING Custom Choice 65 | 1,554.244 | 7.12 | 11,066 |
| ING MAP PLUS NP1 | 5,357.655 | 7.16 | 38,361 |
| ING MAP PLUS NP12 | 443.111 | 7.02 | 3,111 |
| ING MAP PLUS NP15 | 1,990.251 | 6.98 | 13,892 |
| ING MAP PLUS NP19 | 272.519 | 6.93 | 1,889 |
| ING MAP PLUS NP23 | 3,805.012 | 6.88 | 26,178 |
| ING MAP PLUS NP25 | 101.216 | 6.85 | 693 |
| ING MAP PLUS NP29 | 120.093 | 6.80 | 817 |
| ING MAP PLUS NP30 | 1,471.661 | 6.79 | 9,993 |
| ING MAP PLUS NP32 | 33.845 | 6.77 | 229 |
| Qualified VI | 726,535.200 | 6.90 | 5,013,093 |
| Qualified VIII | 17.055 | 6.90 | 118 |
| Qualified X (1.15) | 27,231.077 | 11.82 | 321,871 |

**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 (continued) | | | |
| Qualified X (1.25) | 44,617.519 | \$ 11.79 | \$ 526,041 |
| Qualified XII (0.00) | 731.816 | 7.22 | 5,284 |
| Qualified XII (0.05) | 9,595.889 | 7.22 | 69,282 |
| Qualified XII (0.10) | 51.217 | 7.20 | 369 |
| Qualified XII (0.20) | 4,866.690 | 7.17 | 34,894 |
| Qualified XII (0.25) | 21,402.669 | 7.16 | 153,243 |
| Qualified XII (0.30) | 23,172.709 | 7.15 | 165,685 |
| Qualified XII (0.35) | 274.669 | 7.13 | 1,958 |
| Qualified XII (0.40) | 31,583.983 | 7.12 | 224,878 |
| Qualified XII (0.50) | 81,042.520 | 7.09 | 574,591 |
| Qualified XII (0.55) | 6,637.949 | 7.08 | 46,997 |
| Qualified XII (0.60) | 10,141.579 | 7.07 | 71,701 |
| Qualified XII (0.65) | 112,564.310 | 7.06 | 794,704 |
| Qualified XII (0.70) | 25,923.760 | 7.04 | 182,503 |
| Qualified XII (0.75) | 94,695.060 | 7.03 | 665,706 |
| Qualified XII (0.80) | 89,628.276 | 7.02 | 629,190 |
| Qualified XII (0.85) | 135,054.393 | 7.00 | 945,381 |
| Qualified XII (0.90) | 8,800.419 | 6.99 | 61,515 |
| Qualified XII (0.95) | 125,262.597 | 6.98 | 874,333 |
| Qualified XII (1.00) | 320,786.198 | 6.97 | 2,235,880 |
| Qualified XII (1.05) | 2,252.722 | 6.95 | 15,656 |
| Qualified XII (1.10) | 23,367.179 | 6.94 | 162,168 |
| Qualified XII (1.15) | 34,769.203 | 6.93 | 240,951 |
| Qualified XII (1.20) | 7,184.578 | 6.92 | 49,717 |
| Qualified XII (1.25) | 35,819.267 | 6.90 | 247,153 |
| Qualified XII (1.30) | 100.238 | 6.89 | 691 |
| Qualified XII (1.35) | 47.205 | 6.88 | 325 |
| Qualified XII (1.40) | 3,157.525 | 6.86 | 21,661 |
| Qualified XII (1.45) | 561.765 | 6.85 | 3,848 |
| Qualified XII (1.50) | 36.330 | 6.84 | 248 |
| Qualified XV | 7,747.898 | 6.98 | 54,080 |
| Qualified XVI | 12,295.553 | 6.84 | 84,102 |
| Qualified XVII | 276.458 | 6.90 | 1,908 |
| Qualified XVIII | 2,925.980 | 11.87 | 34,731 |
| Qualified XXI | 12,141.255 | 7.02 | 85,232 |
| Qualified XXVII | 183,247.030 | 10.22 | 1,872,785 |
| Qualified XXXII | 713.115 | 11.79 | 8,408 |
| Qualified XXXIV | 374.602 | 7.03 | 2,633 |
| Qualified XXXVI | 3,495.595 | 7.08 | 24,749 |
| Qualified XXXVIII | 2,712.830 | 7.22 | 19,587 |
| Qualified XLIII | 358.990 | 7.04 | 2,527 |
| Qualified LIV | 12,486.051 | 7.02 | 87,652 |
| Qualified LVI | 32,073.115 | 7.16 | 229,644 |
| Qualified LIX | 4,821.296 | 7.09 | 34,183 |
| | <u>2,343,998.311</u> | | <u>\$ 17,553,076</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 Index Portfolio - Class S | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 542.858 | \$ 11.98 | \$ 6,503 |
| ING Russell™ Large Cap Growth Index Portfolio - Class I | | | |
| Currently payable annuity contracts: | 3,757.545 | \$ 14.71 | \$ 55,273 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 65 | 142.524 | 14.70 | 2,095 |
| Qualified V | 3.913 | 14.31 | 56 |
| Qualified VI | 94,374.065 | 14.37 | 1,356,155 |
| Qualified X (1.15) | 3,849.859 | 14.41 | 55,476 |
| Qualified X (1.25) | 9,307.946 | 14.37 | 133,755 |
| Qualified XII (0.20) | 3,947.405 | 14.78 | 58,343 |
| Qualified XII (0.30) | 237.642 | 14.74 | 3,503 |
| Qualified XII (0.40) | 8,337.246 | 14.70 | 122,558 |
| Qualified XII (0.50) | 1,229.947 | 14.66 | 18,031 |
| Qualified XII (0.55) | 50.751 | 14.64 | 743 |
| Qualified XII (0.60) | 768.300 | 14.62 | 11,233 |
| Qualified XII (0.65) | 12,223.215 | 14.60 | 178,459 |
| Qualified XII (0.70) | 4,496.068 | 14.58 | 65,553 |
| Qualified XII (0.75) | 2,752.251 | 14.56 | 40,073 |
| Qualified XII (0.80) | 4,439.783 | 14.54 | 64,554 |
| Qualified XII (0.85) | 26,638.924 | 14.52 | 386,797 |
| Qualified XII (0.90) | 5,120.511 | 14.51 | 74,299 |
| Qualified XII (0.95) | 35,479.415 | 14.49 | 514,097 |
| Qualified XII (1.00) | 33,612.733 | 14.47 | 486,376 |
| Qualified XII (1.05) | 25.105 | 14.45 | 363 |
| Qualified XII (1.10) | 14,588.228 | 14.43 | 210,508 |
| Qualified XII (1.15) | 1,267.073 | 14.41 | 18,259 |
| Qualified XII (1.20) | 169.949 | 14.39 | 2,446 |
| Qualified XII (1.25) | 9,306.562 | 14.37 | 133,735 |
| Qualified XII (1.40) | 790.656 | 14.31 | 11,314 |
| Qualified XII (1.45) | 83.662 | 14.30 | 1,196 |
| Qualified XII (1.50) | 31.828 | 14.28 | 455 |
| Qualified XV | 397.729 | 14.49 | 5,763 |
| Qualified XVI | 898.922 | 14.28 | 12,837 |
| Qualified XVII | 345.188 | 14.41 | 4,974 |
| Qualified XXVII | 79,558.459 | 14.37 | 1,143,255 |
| Qualified XXXII | 532.920 | 14.37 | 7,658 |
| Qualified XXXIV | 571.084 | 14.51 | 8,286 |
| Qualified XXXVIII | 1,545.546 | 14.86 | 22,967 |
| Qualified XLIII | 110.743 | 14.56 | 1,612 |
| Qualified LIV | 1,436.926 | 14.54 | 20,893 |
| Qualified LVI | 4,993.951 | 14.76 | 73,711 |
| | <u>367,424.574</u> | | <u>\$ 5,307,661</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™ Large Cap Growth Index Portfolio - Class S | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP8 | 63.943 | \$ 14.63 | \$ 935 |
| ING MAP PLUS NP12 | 148.372 | 14.55 | 2,159 |
| ING MAP PLUS NP15 | 4,969.729 | 14.49 | 72,011 |
| ING MAP PLUS NP23 | 1,046.083 | 14.34 | 15,001 |
| ING MAP PLUS NP25 | 98.091 | 14.30 | 1,403 |
| ING MAP PLUS NP28 | 59.215 | 14.24 | 843 |
| Qualified XII (0.00) | 502.459 | 14.24 | 7,155 |
| Qualified XII (0.50) | 34,242.619 | 14.06 | 481,451 |
| | <u>41,130.511</u> | | <u>\$ 580,958</u> |
| ING Russell™ Large Cap Index Portfolio - Class I | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 2,869.581 | \$ 9.09 | \$ 26,084 |
| ING Custom Choice 65 | 180.617 | 9.37 | 1,692 |
| ING MAP PLUS NP1 | 13,146.046 | 9.47 | 124,493 |
| ING MAP PLUS NP3 | 1,222.816 | 9.44 | 11,543 |
| ING MAP PLUS NP5 | 0.016 | 9.40 | - |
| ING MAP PLUS NP6 | 2,126.605 | 9.39 | 19,969 |
| ING MAP PLUS NP8 | 10,662.860 | 9.35 | 99,698 |
| ING MAP PLUS NP9 | 24,506.453 | 9.33 | 228,645 |
| ING MAP PLUS NP11 | 181.024 | 9.30 | 1,684 |
| ING MAP PLUS NP12 | 7,445.894 | 9.28 | 69,098 |
| ING MAP PLUS NP13 | 4,784.282 | 9.27 | 44,350 |
| ING MAP PLUS NP15 | 8,796.672 | 9.23 | 81,193 |
| ING MAP PLUS NP16 | 54.070 | 9.22 | 499 |
| ING MAP PLUS NP17 | 2,400.052 | 9.20 | 22,080 |
| ING MAP PLUS NP18 | 823.251 | 9.18 | 7,557 |
| ING MAP PLUS NP19 | 1,227.585 | 9.17 | 11,257 |
| ING MAP PLUS NP23 | 4,824.636 | 9.10 | 43,904 |
| ING MAP PLUS NP25 | 8,321.639 | 9.07 | 75,477 |
| ING MAP PLUS NP26 | 468.851 | 9.05 | 4,243 |
| ING MAP PLUS NP28 | 889.269 | 9.02 | 8,021 |
| ING MAP PLUS NP30 | 40.862 | 8.99 | 367 |
| ING MAP PLUS NP32 | 20.089 | 8.96 | 180 |
| Qualified VI | 382,524.829 | 9.09 | 3,477,151 |
| Qualified XII (0.00) | 684.853 | 9.51 | 6,513 |
| Qualified XII (0.30) | 2,792.193 | 9.41 | 26,275 |
| Qualified XII (0.40) | 19,470.075 | 9.37 | 182,435 |
| Qualified XII (0.50) | 180,712.848 | 9.34 | 1,687,858 |
| Qualified XII (0.55) | 3,502.856 | 9.32 | 32,647 |
| Qualified XII (0.60) | 8,909.218 | 9.30 | 82,856 |
| Qualified XII (0.65) | 28,817.652 | 9.29 | 267,716 |
| Qualified XII (0.70) | 9,021.867 | 9.27 | 83,633 |
| Qualified XII (0.75) | 37,050.274 | 9.25 | 342,715 |
| Qualified XII (0.80) | 19,664.640 | 9.24 | 181,701 |
| Qualified XII (0.85) | 87,375.108 | 9.22 | 805,598 |
| Qualified XII (0.90) | 10,391.180 | 9.20 | 95,599 |
| Qualified XII (0.95) | 94,922.209 | 9.19 | 872,335 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---|----------------------|-------------------|-----------------------|
| ING Russell™ Large Cap Index Portfolio - Class I | | | |
| (continued) | | | |
| Qualified XII (1.00) | 215,476.148 | \$ 9.17 | \$ 1,975,916 |
| Qualified XII (1.05) | 795.403 | 9.15 | 7,278 |
| Qualified XII (1.10) | 14,945.844 | 9.14 | 136,605 |
| Qualified XII (1.15) | 14,573.838 | 9.12 | 132,913 |
| Qualified XII (1.20) | 4,541.575 | 9.10 | 41,328 |
| Qualified XII (1.25) | 37,559.363 | 9.09 | 341,415 |
| Qualified XII (1.30) | 1,053.977 | 9.07 | 9,560 |
| Qualified XII (1.40) | 4,458.765 | 9.04 | 40,307 |
| Qualified XII (1.45) | 941.899 | 9.02 | 8,496 |
| Qualified XII (1.50) | 49.246 | 9.00 | 443 |
| Qualified XV | 3,694.188 | 9.19 | 33,950 |
| Qualified XVI | 5,920.167 | 9.00 | 53,282 |
| Qualified XXI | 213,759.797 | 9.24 | 1,975,141 |
| Qualified XXXIV | 1,020.302 | 9.25 | 9,438 |
| Qualified XXXVIII | 2,556.810 | 9.51 | 24,315 |
| Qualified XLIII | 49.367 | 9.27 | 458 |
| Qualified LIV | 5,411.602 | 9.24 | 50,003 |
| Qualified LVI | 5,849.816 | 9.42 | 55,105 |
| | <u>1,513,491.079</u> | | <u>\$ 13,923,019</u> |
| ING Russell™ Large Cap Index Portfolio - Class S | | | |
| Contracts in accumulation period: | 647.752 | \$ 14.33 | \$ 9,282 |
| ING Russell™ Large Cap Value Index Portfolio - Class I | | | |
| Contracts in accumulation period: | | | |
| Qualified X (1.15) | 5,090.699 | \$ 13.01 | \$ 66,230 |
| Qualified X (1.25) | 9,105.931 | 12.98 | 118,195 |
| | <u>14,196.630</u> | | <u>\$ 184,425</u> |
| ING Russell™ Large Cap Value Index Portfolio - Class S | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 65 | 126.531 | \$ 13.19 | \$ 1,669 |
| ING MAP PLUS NP12 | 47.697 | 13.13 | 626 |
| ING MAP PLUS NP23 | 4,504.054 | 12.94 | 58,282 |
| ING MAP PLUS NP25 | 15.538 | 12.91 | 201 |
| Qualified VI | 86,292.839 | 12.89 | 1,112,315 |
| Qualified XII (0.00) | 1,078.157 | 13.33 | 14,372 |
| Qualified XII (0.30) | 755.439 | 13.22 | 9,987 |
| Qualified XII (0.40) | 5,375.544 | 13.19 | 70,903 |
| Qualified XII (0.50) | 28,935.335 | 13.15 | 380,500 |
| Qualified XII (0.60) | 960.471 | 13.12 | 12,601 |
| Qualified XII (0.65) | 3,591.059 | 13.10 | 47,043 |
| Qualified XII (0.70) | 1,867.868 | 13.08 | 24,432 |
| Qualified XII (0.75) | 2,364.413 | 13.06 | 30,879 |
| Qualified XII (0.80) | 2,864.005 | 13.05 | 37,375 |
| Qualified XII (0.85) | 17,662.814 | 13.03 | 230,146 |
| Qualified XII (0.90) | 255.746 | 13.01 | 3,327 |
| Qualified XII (0.95) | 7,391.737 | 13.00 | 96,093 |
| Qualified XII (1.00) | 22,347.388 | 12.98 | 290,069 |
| Qualified XII (1.05) | 884.038 | 12.96 | 11,457 |
| Qualified XII (1.10) | 4,848.379 | 12.94 | 62,738 |
| Qualified XII (1.15) | 3,842.735 | 12.93 | 49,687 |
| Qualified XII (1.20) | 242.723 | 12.91 | 3,134 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---|--------------------|-------------------|-----------------------|
| ING Russell™ Large Cap Value Index Portfolio - Class S | | | |
| (continued) | | | |
| Qualified XII (1.25) | 4,603.173 | \$ 12.89 | \$ 59,335 |
| Qualified XII (1.30) | 41.896 | 12.88 | 540 |
| Qualified XII (1.40) | 681.864 | 12.84 | 8,755 |
| Qualified XII (1.50) | 33.555 | 12.81 | 430 |
| Qualified XV | 735.310 | 13.00 | 9,559 |
| Qualified XVI | 1,622.941 | 12.81 | 20,790 |
| Qualified XXXIV | 806.540 | 13.01 | 10,493 |
| Qualified XXXVIII | 5,578.787 | 13.33 | 74,365 |
| Qualified XLIII | 817.701 | 13.06 | 10,679 |
| Qualified LIV | 1,142.723 | 13.05 | 14,913 |
| Qualified LVI | 2,795.748 | 13.24 | 37,016 |
| | <u>215,114.748</u> | | <u>\$ 2,794,711</u> |
| ING Russell™ Mid Cap Growth Index Portfolio - Class S | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 195.487 | \$ 15.39 | \$ 3,009 |
| ING Custom Choice 65 | 1,948.932 | 15.74 | 30,676 |
| Qualified VI | 95,197.117 | 15.39 | 1,465,084 |
| Qualified XII (0.30) | 2,713.302 | 15.78 | 42,816 |
| Qualified XII (0.40) | 10,273.806 | 15.74 | 161,710 |
| Qualified XII (0.50) | 73,702.483 | 15.70 | 1,157,129 |
| Qualified XII (0.55) | 2,368.135 | 15.68 | 37,132 |
| Qualified XII (0.60) | 1,935.753 | 15.65 | 30,295 |
| Qualified XII (0.65) | 11,863.935 | 15.63 | 185,433 |
| Qualified XII (0.70) | 7,584.530 | 15.61 | 118,395 |
| Qualified XII (0.75) | 3,857.371 | 15.59 | 60,136 |
| Qualified XII (0.80) | 2,662.729 | 15.57 | 41,459 |
| Qualified XII (0.85) | 17,037.319 | 15.55 | 264,930 |
| Qualified XII (0.90) | 2,834.999 | 15.53 | 44,028 |
| Qualified XII (0.95) | 17,781.322 | 15.51 | 275,788 |
| Qualified XII (1.00) | 44,247.699 | 15.49 | 685,397 |
| Qualified XII (1.05) | 571.392 | 15.47 | 8,839 |
| Qualified XII (1.10) | 6,578.726 | 15.45 | 101,641 |
| Qualified XII (1.15) | 6,393.110 | 15.43 | 98,646 |
| Qualified XII (1.20) | 640.042 | 15.41 | 9,863 |
| Qualified XII (1.25) | 7,338.476 | 15.39 | 112,939 |
| Qualified XII (1.30) | 85.050 | 15.37 | 1,307 |
| Qualified XII (1.40) | 503.455 | 15.33 | 7,718 |
| Qualified XII (1.45) | 30.410 | 15.31 | 466 |
| Qualified XV | 579.853 | 15.51 | 8,994 |
| Qualified XVI | 1,933.618 | 15.29 | 29,565 |
| Qualified XVII | 3,030.932 | 15.43 | 46,767 |
| Qualified XXXIV | 379.670 | 15.53 | 5,896 |
| Qualified XXXVIII | 1,733.794 | 15.91 | 27,585 |
| Qualified XLIII | 1,307.474 | 15.59 | 20,384 |
| Qualified LIV | 1,209.928 | 15.57 | 18,839 |
| Qualified LVI | 6,562.413 | 15.80 | 103,686 |
| | <u>335,083.262</u> | | <u>\$ 5,206,552</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 | 1,257.725 | \$ 9.81 | \$ 12,338 |
| ING MAP PLUS NP1 | 6,547.006 | 10.18 | 66,649 |
| ING MAP PLUS NP8 | 2,553.184 | 10.05 | 25,659 |
| ING MAP PLUS NP12 | 111.437 | 9.97 | 1,111 |
| ING MAP PLUS NP15 | 2,591.515 | 9.92 | 25,708 |
| ING MAP PLUS NP18 | 1,688.711 | 9.86 | 16,651 |
| ING MAP PLUS NP22 | 103.440 | 9.79 | 1,013 |
| ING MAP PLUS NP23 | 2,685.433 | 9.78 | 26,264 |
| ING MAP PLUS NP25 | 69.408 | 9.74 | 676 |
| ING MAP PLUS NP26 | 699.526 | 9.72 | 6,799 |
| ING MAP PLUS NP29 | 5,131.458 | 9.67 | 49,621 |
| ING MAP PLUS NP32 | 273.654 | 9.62 | 2,633 |
| Qualified VI | 223,056.544 | 9.81 | 2,188,185 |
| Qualified XII (0.00) | 3.654 | 10.27 | 38 |
| Qualified XII (0.30) | 105.554 | 10.15 | 1,071 |
| Qualified XII (0.40) | 7,675.875 | 10.12 | 77,680 |
| Qualified XII (0.50) | 43,125.154 | 10.08 | 434,702 |
| Qualified XII (0.55) | 492.489 | 10.06 | 4,954 |
| Qualified XII (0.60) | 4,632.545 | 10.04 | 46,511 |
| Qualified XII (0.65) | 1,900.586 | 10.03 | 19,063 |
| Qualified XII (0.70) | 1,933.073 | 10.01 | 19,350 |
| Qualified XII (0.75) | 14,154.617 | 9.99 | 141,405 |
| Qualified XII (0.80) | 24,191.614 | 9.97 | 241,190 |
| Qualified XII (0.85) | 88,857.821 | 9.95 | 884,135 |
| Qualified XII (0.90) | 9.546 | 9.93 | 95 |
| Qualified XII (0.95) | 35,014.409 | 9.92 | 347,343 |
| Qualified XII (1.00) | 173,172.212 | 9.90 | 1,714,405 |
| Qualified XII (1.05) | 115.725 | 9.88 | 1,143 |
| Qualified XII (1.10) | 4,014.386 | 9.86 | 39,582 |
| Qualified XII (1.15) | 5,342.053 | 9.84 | 52,566 |
| Qualified XII (1.20) | 578.786 | 9.83 | 5,689 |
| Qualified XII (1.25) | 8,058.427 | 9.81 | 79,053 |
| Qualified XII (1.40) | 190.824 | 9.75 | 1,861 |
| Qualified XV | 583.678 | 9.92 | 5,790 |
| Qualified XVI | 1,868.634 | 9.72 | 18,163 |
| Qualified XXI | 117,352.050 | 9.97 | 1,170,000 |
| Qualified XXXVIII | 362.315 | 10.27 | 3,721 |
| Qualified XLIII | 367.918 | 10.01 | 3,683 |
| Qualified LIV | 2,157.463 | 9.97 | 21,510 |
| Qualified LVI | 2,598.584 | 10.17 | 26,428 |
| | <u>785,629.033</u> | | <u>\$ 7,784,438</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™ Small Cap Index Portfolio - Class I | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 955.969 | \$ 10.29 | \$ 9,837 |
| ING Custom Choice 65 | 42.522 | 10.62 | 452 |
| ING MAP PLUS NP1 | 5,917.096 | 10.68 | 63,195 |
| ING MAP PLUS NP3 | 1,103.851 | 10.64 | 11,745 |
| ING MAP PLUS NP6 | 3,829.537 | 10.58 | 40,517 |
| ING MAP PLUS NP12 | 206.815 | 10.46 | 2,163 |
| ING MAP PLUS NP15 | 456.325 | 10.41 | 4,750 |
| ING MAP PLUS NP17 | 5,031.461 | 10.37 | 52,176 |
| ING MAP PLUS NP18 | 1,046.413 | 10.35 | 10,830 |
| ING MAP PLUS NP23 | 3,332.083 | 10.26 | 34,187 |
| ING MAP PLUS NP25 | 65.363 | 10.22 | 668 |
| ING MAP PLUS NP26 | 2,095.751 | 10.20 | 21,377 |
| ING MAP PLUS NP29 | 125.293 | 10.15 | 1,272 |
| ING MAP PLUS NP32 | 153.675 | 10.09 | 1,551 |
| Qualified V | 69.509 | 10.23 | 711 |
| Qualified VI | 213,304.373 | 10.29 | 2,194,902 |
| Qualified XII (0.30) | 1,666.532 | 10.65 | 17,749 |
| Qualified XII (0.40) | 13,972.621 | 10.62 | 148,389 |
| Qualified XII (0.50) | 28,413.288 | 10.58 | 300,613 |
| Qualified XII (0.55) | 1,750.106 | 10.56 | 18,481 |
| Qualified XII (0.60) | 3,872.393 | 10.54 | 40,815 |
| Qualified XII (0.65) | 3,856.841 | 10.52 | 40,574 |
| Qualified XII (0.70) | 7,843.394 | 10.50 | 82,356 |
| Qualified XII (0.75) | 9,278.436 | 10.48 | 97,238 |
| Qualified XII (0.80) | 14,290.390 | 10.46 | 149,477 |
| Qualified XII (0.85) | 98,853.329 | 10.44 | 1,032,029 |
| Qualified XII (0.90) | 1,917.947 | 10.42 | 19,985 |
| Qualified XII (0.95) | 17,258.036 | 10.40 | 179,484 |
| Qualified XII (1.00) | 173,907.741 | 10.39 | 1,806,901 |
| Qualified XII (1.05) | 597.026 | 10.37 | 6,191 |
| Qualified XII (1.10) | 5,462.936 | 10.35 | 56,541 |
| Qualified XII (1.15) | 1,150.045 | 10.33 | 11,880 |
| Qualified XII (1.20) | 255.603 | 10.31 | 2,635 |
| Qualified XII (1.25) | 10,079.104 | 10.29 | 103,714 |
| Qualified XII (1.40) | 679.952 | 10.24 | 6,963 |
| Qualified XII (1.45) | 11.933 | 10.22 | 122 |
| Qualified XVI | 646.971 | 10.20 | 6,599 |
| Qualified XXI | 1,734.227 | 10.46 | 18,140 |
| Qualified XXXIV | 28.719 | 10.48 | 301 |
| Qualified XXXVIII | 837.627 | 10.77 | 9,021 |
| Qualified XLIII | 369.161 | 10.50 | 3,876 |
| Qualified LIV | 6,294.153 | 10.46 | 65,837 |
| Qualified LVI | 4,854.132 | 10.67 | 51,794 |
| | <u>647,618.679</u> | | <u>\$ 6,728,038</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|---------------|--------------------|-----------------------|
| ING Small Company Portfolio - Class I | | | |
| Currently payable annuity contracts: | 91,457.609 | \$14.41 to \$29.56 | \$ 1,630,690 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 3,271.703 | 15.78 | 51,627 |
| ING Custom Choice 65 | 11,444.732 | 15.32 | 175,333 |
| ING MAP PLUS NP6 | 3,181.715 | 15.88 | 50,526 |
| ING MAP PLUS NP8 | 2,258.318 | 15.76 | 35,591 |
| ING MAP PLUS NP9 | 1,904.352 | 15.69 | 29,879 |
| ING MAP PLUS NP11 | 342.532 | 15.57 | 5,333 |
| ING MAP PLUS NP12 | 12,976.255 | 15.51 | 201,262 |
| ING MAP PLUS NP13 | 2,406.605 | 15.45 | 37,182 |
| ING MAP PLUS NP14 | 1,439.349 | 15.39 | 22,152 |
| ING MAP PLUS NP15 | 3,246.783 | 15.33 | 49,773 |
| ING MAP PLUS NP16 | 6,471.580 | 15.27 | 98,821 |
| ING MAP PLUS NP17 | 712.608 | 15.20 | 10,832 |
| ING MAP PLUS NP18 | 2,456.639 | 15.14 | 37,194 |
| ING MAP PLUS NP19 | 3,149.051 | 15.09 | 47,519 |
| ING MAP PLUS NP21 | 925.810 | 14.97 | 13,859 |
| ING MAP PLUS NP22 | 1,079.362 | 14.91 | 16,093 |
| ING MAP PLUS NP23 | 534.782 | 14.85 | 7,942 |
| ING MAP PLUS NP24 | 0.047 | 14.79 | 1 |
| ING MAP PLUS NP25 | 2,266.722 | 14.73 | 33,389 |
| ING MAP PLUS NP26 | 1,835.963 | 14.67 | 26,934 |
| ING MAP PLUS NP28 | 3,528.058 | 14.56 | 51,369 |
| ING MAP PLUS NP29 | 720.477 | 14.50 | 10,447 |
| ING MAP PLUS NP30 | 4.386 | 14.44 | 63 |
| Qualified V | 153.648 | 28.87 | 4,436 |
| Qualified VI | 1,049,345.051 | 29.56 | 31,018,640 |
| Qualified VIII | 358.870 | 29.52 | 10,594 |
| Qualified X (1.15) | 75,275.424 | 30.00 | 2,258,263 |
| Qualified X (1.25) | 70,567.860 | 29.56 | 2,085,986 |
| Qualified XII (0.00) | 2.558 | 23.47 | 60 |
| Qualified XII (0.05) | 44,838.598 | 33.68 | 1,510,164 |
| Qualified XII (0.20) | 109,343.526 | 22.84 | 2,497,406 |
| Qualified XII (0.25) | 55,123.967 | 22.68 | 1,250,212 |
| Qualified XII (0.30) | 45,724.943 | 22.53 | 1,030,183 |
| Qualified XII (0.35) | 1,901.815 | 22.38 | 42,563 |
| Qualified XII (0.40) | 64,877.989 | 33.21 | 2,154,598 |
| Qualified XII (0.45) | 454.118 | 22.08 | 10,027 |
| Qualified XII (0.50) | 106,197.179 | 22.26 | 2,363,949 |
| Qualified XII (0.55) | 53,750.759 | 21.78 | 1,170,692 |
| Qualified XII (0.60) | 66,630.591 | 21.63 | 1,441,220 |
| Qualified XII (0.65) | 118,260.018 | 21.48 | 2,540,225 |
| Qualified XII (0.70) | 98,334.806 | 21.34 | 2,098,465 |
| Qualified XII (0.75) | 174,447.903 | 21.19 | 3,696,551 |
| Qualified XII (0.80) | 356,546.361 | 22.45 | 8,004,466 |
| Qualified XII (0.85) | 201,089.065 | 31.35 | 6,304,142 |
| Qualified XII (0.90) | 10,780.173 | 21.59 | 232,744 |
| Qualified XII (0.95) | 137,528.186 | 30.89 | 4,248,246 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|----------------------|-------------------|-----------------------|
| ING Small Company Portfolio - Class I (continued) | | | |
| Qualified XII (1.00) | 521,379.257 | \$ 30.67 | \$ 15,990,702 |
| Qualified XII (1.05) | 23,309.333 | 30.44 | 709,536 |
| Qualified XII (1.10) | 27,295.004 | 30.22 | 824,855 |
| Qualified XII (1.15) | 45,378.891 | 30.00 | 1,361,367 |
| Qualified XII (1.20) | 7,578.349 | 29.78 | 225,683 |
| Qualified XII (1.25) | 28,631.839 | 29.56 | 846,357 |
| Qualified XII (1.30) | 1,778.651 | 29.34 | 52,186 |
| Qualified XII (1.40) | 4,463.315 | 28.91 | 129,034 |
| Qualified XII (1.45) | 365.897 | 28.70 | 10,501 |
| Qualified XII (1.50) | 2,870.051 | 28.49 | 81,768 |
| Qualified XIII | 3.700 | 30.89 | 114 |
| Qualified XV | 6,857.937 | 30.89 | 211,842 |
| Qualified XVI | 31,064.541 | 28.49 | 885,029 |
| Qualified XVII | 2,176.214 | 29.56 | 64,329 |
| Qualified XVIII | 1,897.241 | 31.10 | 59,004 |
| Qualified XXVII | 744,462.474 | 14.95 | 11,129,714 |
| Qualified XXVIII | 179,361.015 | 15.95 | 2,860,808 |
| Qualified XXXII | 3,875.542 | 15.36 | 59,528 |
| Qualified XXXIII (0.65) | 14.448 | 17.26 | 249 |
| Qualified XXXIV | 2,796.848 | 9.95 | 27,829 |
| Qualified XXXVI | 15,447.429 | 17.45 | 269,558 |
| Qualified XXXVIII | 39,332.618 | 10.23 | 402,373 |
| Qualified XLIII | 1,111.001 | 9.97 | 11,077 |
| Qualified LIV | 70,168.041 | 15.04 | 1,055,327 |
| Qualified LVI | 66,290.360 | 15.48 | 1,026,175 |
| Qualified LIX | 34.648 | 17.70 | 613 |
| | <u>4,827,093.490</u> | | <u>\$ 116,913,201</u> |
| ING Small Company Portfolio - Class S | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 14,210.600 | \$ 12.94 | \$ 183,885 |
| ING U.S. Bond Index Portfolio - Class I | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 294.941 | \$ 11.82 | \$ 3,486 |
| ING Custom Choice 65 | 359.076 | 12.19 | 4,377 |
| ING MAP PLUS NP12 | 170.373 | 12.03 | 2,050 |
| ING MAP PLUS NP15 | 5,287.497 | 11.96 | 63,238 |
| ING MAP PLUS NP20 | 3,562.538 | 11.86 | 42,252 |
| ING MAP PLUS NP22 | 417.878 | 11.81 | 4,935 |
| ING MAP PLUS NP25 | 48.237 | 11.75 | 567 |
| ING MAP PLUS NP26 | 1,467.592 | 11.73 | 17,215 |
| Qualified VI | 374,699.462 | 11.82 | 4,428,948 |
| Qualified XII (0.30) | 16,101.081 | 12.24 | 197,077 |
| Qualified XII (0.40) | 16,785.521 | 12.19 | 204,616 |
| Qualified XII (0.50) | 14,402.564 | 12.15 | 174,991 |
| Qualified XII (0.55) | 21,388.585 | 12.13 | 259,444 |
| Qualified XII (0.60) | 2,674.804 | 12.10 | 32,365 |
| Qualified XII (0.65) | 2,660.629 | 12.08 | 32,140 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|--------------------|-------------------|-----------------------|
| ING U.S. Bond Index Portfolio - Class I (continued) | | | |
| Qualified XII (0.70) | 17,352.623 | \$ 12.06 | \$ 209,273 |
| Qualified XII (0.75) | 29,209.593 | 12.04 | 351,683 |
| Qualified XII (0.80) | 33,748.536 | 12.02 | 405,657 |
| Qualified XII (0.85) | 35,917.018 | 11.99 | 430,645 |
| Qualified XII (0.90) | 5,619.051 | 11.97 | 67,260 |
| Qualified XII (0.95) | 36,941.971 | 11.95 | 441,457 |
| Qualified XII (1.00) | 79,018.782 | 11.93 | 942,694 |
| Qualified XII (1.05) | 10,090.960 | 11.91 | 120,183 |
| Qualified XII (1.10) | 13,005.953 | 11.88 | 154,511 |
| Qualified XII (1.15) | 13,009.196 | 11.86 | 154,289 |
| Qualified XII (1.20) | 2,208.770 | 11.84 | 26,152 |
| Qualified XII (1.25) | 24,759.003 | 11.82 | 292,651 |
| Qualified XII (1.40) | 412.866 | 11.76 | 4,855 |
| Qualified XII (1.45) | 5.431 | 11.73 | 64 |
| Qualified XII (1.50) | 729.715 | 11.71 | 8,545 |
| Qualified XV | 3,972.474 | 11.95 | 47,471 |
| Qualified XVI | 6,267.530 | 11.71 | 73,393 |
| Qualified XVII | 380.228 | 11.82 | 4,494 |
| Qualified XXI | 11,374.969 | 12.02 | 136,727 |
| Qualified XXXIV | 155.578 | 12.04 | 1,873 |
| Qualified XXXVIII | 1,112.757 | 12.37 | 13,765 |
| Qualified XLIII | 408.724 | 12.06 | 4,929 |
| Qualified LIV | 3,218.519 | 12.02 | 38,687 |
| Qualified LVI | 4,634.887 | 12.26 | 56,824 |
| | <u>793,875.912</u> | | <u>\$ 9,455,783</u> |
| ING International Value Portfolio - Class I | | | |
| Currently payable annuity contracts: | 174,610.525 | \$ 11.61 | \$ 2,027,228 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 518.786 | 11.12 | 5,769 |
| ING Custom Choice 65 | 3,831.771 | 10.43 | 39,965 |
| ING MAP PLUS NP8 | 1,914.794 | 11.53 | 22,078 |
| ING MAP PLUS NP11 | 7,456.183 | 11.39 | 84,926 |
| ING MAP PLUS NP12 | 931.913 | 11.35 | 10,577 |
| ING MAP PLUS NP15 | 7,370.171 | 11.22 | 82,693 |
| ING MAP PLUS NP19 | 439.487 | 11.04 | 4,852 |
| ING MAP PLUS NP21 | 840.440 | 10.95 | 9,203 |
| ING MAP PLUS NP22 | 565.310 | 10.91 | 6,168 |
| ING MAP PLUS NP23 | 1,383.406 | 10.87 | 15,038 |
| ING MAP PLUS NP24 | 212.890 | 10.82 | 2,303 |
| ING MAP PLUS NP25 | 788.083 | 10.78 | 8,496 |
| ING MAP PLUS NP27 | 471.850 | 10.70 | 5,049 |
| ING MAP PLUS NP28 | 802.409 | 10.65 | 8,546 |
| ING MAP PLUS NP32 | 277.164 | 10.49 | 2,907 |
| Qualified VI | 609,053.155 | 11.08 | 6,748,309 |
| Qualified X (1.15) | 45,715.873 | 11.20 | 512,018 |
| Qualified X (1.25) | 137,961.893 | 11.08 | 1,528,618 |
| Qualified XII (0.00) | 190.931 | 12.63 | 2,411 |
| Qualified XII (0.10) | 59.747 | 12.50 | 747 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|----------------------|-------------------|-----------------------|
| ING International Value Portfolio - Class I (continued) | | | |
| Qualified XII (0.20) | 175,795.154 | \$ 12.37 | \$ 2,174,586 |
| Qualified XII (0.25) | 68,811.710 | 12.31 | 847,072 |
| Qualified XII (0.30) | 29,903.900 | 12.24 | 366,024 |
| Qualified XII (0.40) | 120,832.059 | 12.11 | 1,463,276 |
| Qualified XII (0.50) | 114,562.952 | 11.99 | 1,373,610 |
| Qualified XII (0.55) | 28,307.932 | 11.93 | 337,714 |
| Qualified XII (0.60) | 2,140,627.046 | 11.86 | 25,387,837 |
| Qualified XII (0.65) | 50,570.177 | 11.80 | 596,728 |
| Qualified XII (0.70) | 22,076.987 | 11.74 | 259,184 |
| Qualified XII (0.75) | 50,847.112 | 11.68 | 593,894 |
| Qualified XII (0.80) | 111,742.733 | 11.62 | 1,298,451 |
| Qualified XII (0.85) | 79,639.181 | 11.56 | 920,629 |
| Qualified XII (0.90) | 3,635.290 | 11.50 | 41,806 |
| Qualified XII (0.95) | 80,876.851 | 11.44 | 925,231 |
| Qualified XII (1.00) | 416,555.160 | 11.38 | 4,740,398 |
| Qualified XII (1.05) | 8,522.302 | 11.32 | 96,472 |
| Qualified XII (1.10) | 25,917.362 | 11.26 | 291,829 |
| Qualified XII (1.15) | 40,348.846 | 11.20 | 451,907 |
| Qualified XII (1.20) | 2,190.628 | 11.14 | 24,404 |
| Qualified XII (1.25) | 35,355.692 | 11.08 | 391,741 |
| Qualified XII (1.30) | 2,968.621 | 11.03 | 32,744 |
| Qualified XII (1.35) | 1,023.132 | 10.97 | 11,224 |
| Qualified XII (1.40) | 3,901.824 | 10.91 | 42,569 |
| Qualified XII (1.45) | 312.472 | 10.86 | 3,393 |
| Qualified XII (1.50) | 11.804 | 10.80 | 127 |
| Qualified XIII | 1,023.179 | 11.44 | 11,705 |
| Qualified XV | 4,042.016 | 11.44 | 46,241 |
| Qualified XVI | 15,012.972 | 10.80 | 162,140 |
| Qualified XVIII | 4,479.393 | 11.08 | 49,632 |
| Qualified XXI | 36,238.040 | 11.62 | 421,086 |
| Qualified XXVIII | 528,219.446 | 12.70 | 6,708,387 |
| Qualified XXXII | 826.107 | 11.36 | 9,385 |
| Qualified XXXIII (0.65) | 38,063.314 | 11.74 | 446,863 |
| Qualified XXXIV | 2,667.980 | 6.14 | 16,381 |
| Qualified XXXVIII | 13,744.724 | 6.31 | 86,729 |
| Qualified XLIII | 43.244 | 6.15 | 266 |
| Qualified LIV | 3,043.206 | 10.24 | 31,162 |
| Qualified LVI | 16,600.439 | 10.54 | 174,969 |
| Qualified LIX | 4,335.511 | 11.99 | 51,983 |
| | <u>5,279,073.279</u> | | <u>\$ 62,017,680</u> |
| ING International Value Portfolio - Class S | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 22,365.920 | \$ 9.40 | \$ 210,240 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---|----------------------|-------------------|-----------------------|
| ING MidCap Opportunities Portfolio - Class I | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 2,273.580 | \$ 17.91 | \$ 40,720 |
| ING Custom Choice 65 | 6,165.869 | 17.69 | 109,074 |
| Qualified VI | 685,704.767 | 16.12 | 11,053,561 |
| Qualified X (1.15) | 13,419.243 | 16.29 | 218,599 |
| Qualified X (1.25) | 41,818.967 | 16.12 | 674,122 |
| Qualified XII (0.00) | 32,870.268 | 18.37 | 603,827 |
| Qualified XII (0.20) | 13,890.846 | 17.99 | 249,896 |
| Qualified XII (0.25) | 29,105.487 | 17.90 | 520,988 |
| Qualified XII (0.30) | 11,438.469 | 17.80 | 203,605 |
| Qualified XII (0.35) | 39.686 | 17.71 | 703 |
| Qualified XII (0.40) | 21,384.316 | 17.62 | 376,792 |
| Qualified XII (0.50) | 28,459.716 | 17.44 | 496,337 |
| Qualified XII (0.55) | 38,420.139 | 17.35 | 666,589 |
| Qualified XII (0.60) | 17,267.866 | 17.26 | 298,043 |
| Qualified XII (0.65) | 47,277.460 | 17.17 | 811,754 |
| Qualified XII (0.70) | 50,268.570 | 17.08 | 858,587 |
| Qualified XII (0.75) | 149,789.719 | 16.99 | 2,544,927 |
| Qualified XII (0.80) | 97,926.420 | 16.90 | 1,654,956 |
| Qualified XII (0.85) | 112,532.386 | 16.81 | 1,891,669 |
| Qualified XII (0.90) | 2,448.739 | 16.72 | 40,943 |
| Qualified XII (0.95) | 104,619.733 | 16.64 | 1,740,872 |
| Qualified XII (1.00) | 331,079.062 | 16.55 | 5,479,358 |
| Qualified XII (1.05) | 1,799.142 | 16.46 | 29,614 |
| Qualified XII (1.10) | 20,661.285 | 16.38 | 338,432 |
| Qualified XII (1.15) | 10,829.311 | 16.29 | 176,409 |
| Qualified XII (1.20) | 3,290.782 | 16.21 | 53,344 |
| Qualified XII (1.25) | 29,237.393 | 16.12 | 471,307 |
| Qualified XII (1.30) | 418.701 | 16.04 | 6,716 |
| Qualified XII (1.35) | 13.347 | 15.95 | 213 |
| Qualified XII (1.40) | 1,373.940 | 15.87 | 21,804 |
| Qualified XII (1.45) | 16.000 | 15.79 | 253 |
| Qualified XII (1.50) | 189.019 | 15.71 | 2,969 |
| Qualified XIII | 364.906 | 16.64 | 6,072 |
| Qualified XV | 302.166 | 16.64 | 5,028 |
| Qualified XVI | 13,003.714 | 15.71 | 204,288 |
| Qualified XVII | 836.986 | 16.12 | 13,492 |
| Qualified XVIII | 4,972.404 | 16.12 | 80,155 |
| Qualified XXXII | 536.123 | 17.69 | 9,484 |
| Qualified XXXIV | 1,554.257 | 11.38 | 17,687 |
| Qualified XXXVIII | 22,858.647 | 11.69 | 267,218 |
| Qualified XLIII | 1,906.639 | 11.40 | 21,736 |
| Qualified LIV | 7,755.553 | 17.37 | 134,714 |
| Qualified LVI | 11,449.501 | 17.87 | 204,603 |
| Qualified LIX | 114.038 | 19.31 | 2,202 |
| | <u>1,971,685.162</u> | | <u>\$ 32,603,662</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---|--------------------|-------------------|-----------------------|
| ING MidCap Opportunities Portfolio - Class S | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 3,194.644 | \$ 12.27 | \$ 39,198 |
| ING MAP PLUS NP6 | 374.955 | 12.22 | 4,582 |
| ING MAP PLUS NP8 | 38,573.744 | 12.20 | 470,600 |
| ING MAP PLUS NP9 | 12,255.195 | 12.19 | 149,391 |
| ING MAP PLUS NP11 | 11,821.759 | 12.17 | 143,871 |
| ING MAP PLUS NP12 | 174.942 | 12.16 | 2,127 |
| ING MAP PLUS NP13 | 3,656.505 | 12.15 | 44,427 |
| ING MAP PLUS NP14 | 36,016.115 | 12.14 | 437,236 |
| ING MAP PLUS NP15 | 3,387.486 | 12.13 | 41,090 |
| ING MAP PLUS NP17 | 9,069.297 | 12.11 | 109,829 |
| ING MAP PLUS NP19 | 9,151.732 | 12.09 | 110,644 |
| ING MAP PLUS NP20 | 3,083.055 | 12.08 | 37,243 |
| ING MAP PLUS NP21 | 9,546.410 | 12.07 | 115,225 |
| ING MAP PLUS NP22 | 2,824.134 | 12.06 | 34,059 |
| ING MAP PLUS NP23 | 3,425.360 | 12.05 | 41,276 |
| ING MAP PLUS NP24 | 183.971 | 12.04 | 2,215 |
| ING MAP PLUS NP26 | 99.956 | 12.02 | 1,201 |
| ING MAP PLUS NP27 | 82.087 | 12.01 | 986 |
| ING MAP PLUS NP28 | 403.523 | 12.00 | 4,842 |
| Qualified XXXV | 16,974.797 | 15.64 | 265,486 |
| | <u>164,299.667</u> | | <u>\$ 2,055,528</u> |
| ING SmallCap Opportunities Portfolio - Class I | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 1,767.795 | \$ 16.68 | \$ 29,487 |
| ING Custom Choice 65 | 4,278.654 | 16.64 | 71,197 |
| ING MAP PLUS NP3 | 602.962 | 17.18 | 10,359 |
| ING MAP PLUS NP11 | 257.676 | 17.00 | 4,380 |
| ING MAP PLUS NP15 | 454.792 | 16.91 | 7,691 |
| ING MAP PLUS NP21 | 1,267.274 | 16.78 | 21,265 |
| ING MAP PLUS NP24 | 963.361 | 16.71 | 16,098 |
| Qualified V | 67.878 | 10.36 | 703 |
| Qualified VI | 492,734.899 | 10.53 | 5,188,498 |
| Qualified X (1.15) | 15,611.484 | 10.64 | 166,106 |
| Qualified X (1.25) | 44,785.268 | 10.53 | 471,589 |
| Qualified XII (0.20) | 35,195.557 | 11.75 | 413,548 |
| Qualified XII (0.25) | 324,939.257 | 11.69 | 3,798,540 |
| Qualified XII (0.30) | 7,066.485 | 11.63 | 82,183 |
| Qualified XII (0.40) | 5,075.293 | 11.51 | 58,417 |
| Qualified XII (0.50) | 26,827.713 | 11.39 | 305,568 |
| Qualified XII (0.55) | 35,371.140 | 11.33 | 400,755 |
| Qualified XII (0.60) | 21,813.079 | 11.27 | 245,833 |
| Qualified XII (0.65) | 256,031.707 | 11.21 | 2,870,115 |
| Qualified XII (0.70) | 20,725.811 | 11.15 | 231,093 |
| Qualified XII (0.75) | 16,464.380 | 11.10 | 182,755 |
| Qualified XII (0.80) | 100,018.780 | 11.04 | 1,104,207 |
| Qualified XII (0.85) | 77,145.226 | 10.98 | 847,055 |
| Qualified XII (0.90) | 1,414.067 | 10.92 | 15,442 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**

Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---|----------------------|-------------------|-----------------------|
| ING SmallCap Opportunities Portfolio - Class I | | | |
| (continued) | | | |
| Qualified XII (0.95) | 72,009.080 | \$ 10.87 | \$ 782,739 |
| Qualified XII (1.00) | 341,818.651 | 10.81 | 3,695,060 |
| Qualified XII (1.05) | 3,081.146 | 10.75 | 33,122 |
| Qualified XII (1.10) | 10,401.434 | 10.70 | 111,295 |
| Qualified XII (1.15) | 12,436.028 | 10.64 | 132,319 |
| Qualified XII (1.20) | 1,155.063 | 10.59 | 12,232 |
| Qualified XII (1.25) | 22,477.632 | 10.53 | 236,689 |
| Qualified XII (1.30) | 1,502.829 | 10.48 | 15,750 |
| Qualified XII (1.40) | 2,631.296 | 10.37 | 27,287 |
| Qualified XII (1.45) | 533.602 | 10.31 | 5,501 |
| Qualified XV | 322.534 | 10.87 | 3,506 |
| Qualified XVI | 9,117.498 | 10.26 | 93,546 |
| Qualified XVIII | 213.292 | 10.53 | 2,246 |
| Qualified XXXIV | 83.517 | 10.80 | 902 |
| Qualified XLIII | 438.300 | 10.82 | 4,742 |
| Qualified LIV | 10,744.538 | 16.33 | 175,458 |
| Qualified LVI | 2,328.275 | 16.81 | 39,138 |
| Qualified LIX | 6,767.735 | 12.35 | 83,582 |
| | <u>1,988,942.988</u> | | <u>\$ 21,997,998</u> |
| ING SmallCap Opportunities Portfolio - Class S | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXV | 6,143.004 | \$ 14.08 | \$ 86,493 |
| Invesco Mid Cap Core Equity Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 65 | 33.837 | \$ 12.91 | \$ 437 |
| ING MAP PLUS NP1 | 3,438.173 | 14.40 | 49,510 |
| ING MAP PLUS NP9 | 24.390 | 13.95 | 340 |
| ING MAP PLUS NP11 | 15,806.061 | 13.84 | 218,756 |
| ING MAP PLUS NP12 | 7,339.123 | 13.79 | 101,207 |
| ING MAP PLUS NP14 | 3,032.625 | 13.68 | 41,486 |
| ING MAP PLUS NP15 | 2,023.585 | 13.62 | 27,561 |
| ING MAP PLUS NP17 | 6,644.531 | 13.52 | 89,834 |
| ING MAP PLUS NP18 | 1,094.202 | 13.46 | 14,728 |
| ING MAP PLUS NP22 | 98.657 | 13.25 | 1,307 |
| ING MAP PLUS NP23 | 1,209.730 | 13.20 | 15,968 |
| ING MAP PLUS NP26 | 263.351 | 13.04 | 3,434 |
| ING MAP PLUS NP28 | 21.080 | 12.94 | 273 |
| ING MAP PLUS NP30 | 19.469 | 12.84 | 250 |
| ING MAP PLUS NP32 | 29.831 | 12.74 | 380 |
| Qualified VI | 56,249.747 | 12.62 | 709,872 |
| Qualified XII (0.00) | 42,142.584 | 13.04 | 549,539 |
| Qualified XII (0.30) | 702.718 | 12.94 | 9,093 |
| Qualified XII (0.40) | 5,442.898 | 12.91 | 70,268 |
| Qualified XII (0.50) | 353.004 | 12.87 | 4,543 |
| Qualified XII (0.55) | 206.521 | 12.85 | 2,654 |
| Qualified XII (0.60) | 94.978 | 12.84 | 1,220 |
| Qualified XII (0.65) | 259.789 | 12.82 | 3,330 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---|--------------------|-------------------|-----------------------|
| Invesco Mid Cap Core Equity Fund - Class A (continued) | | | |
| Qualified XII (0.70) | 5,341.160 | \$ 12.80 | \$ 68,367 |
| Qualified XII (0.75) | 1,407.776 | 12.79 | 18,005 |
| Qualified XII (0.80) | 2,182.875 | 12.77 | 27,875 |
| Qualified XII (0.85) | 11,937.453 | 12.75 | 152,203 |
| Qualified XII (0.90) | 127.425 | 12.74 | 1,623 |
| Qualified XII (0.95) | 12,715.906 | 12.72 | 161,746 |
| Qualified XII (1.00) | 35,891.131 | 15.49 | 555,954 |
| Qualified XII (1.10) | 1,395.366 | 12.67 | 17,679 |
| Qualified XII (1.15) | 49.726 | 12.65 | 629 |
| Qualified XII (1.25) | 2,542.984 | 12.62 | 32,092 |
| Qualified XII (1.40) | 339.572 | 12.57 | 4,268 |
| Qualified XII (1.45) | 11.118 | 12.55 | 140 |
| Qualified XII (1.50) | 312.908 | 12.54 | 3,924 |
| Qualified XVI | 220.981 | 12.54 | 2,771 |
| Qualified XXVII | 145,422.484 | 12.87 | 1,871,587 |
| Qualified XXXIV | 63.067 | 12.74 | 803 |
| Qualified LIV | 2,185.689 | 12.77 | 27,911 |
| Qualified LVI | 2,080.198 | 12.96 | 26,959 |
| | <u>370,758.703</u> | | <u>\$ 4,890,526</u> |
| Invesco Small Cap Growth Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| Qualified XII (1.00) | 2,250.495 | \$ 14.15 | \$ 31,844 |
| Invesco Endeavor Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP13 | 11.677 | \$ 12.26 | \$ 143 |
| Invesco Global Health Care Fund - Investor Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP8 | 1,703.901 | \$ 34.72 | \$ 59,159 |
| ING MAP PLUS NP11 | 1,518.113 | 34.38 | 52,193 |
| ING MAP PLUS NP15 | 148.839 | 33.94 | 5,052 |
| ING MAP PLUS NP18 | 58.359 | 33.61 | 1,961 |
| ING MAP PLUS NP21 | 778.267 | 33.29 | 25,909 |
| ING MAP PLUS NP22 | 772.232 | 33.18 | 25,623 |
| ING MAP PLUS NP23 | 88.285 | 33.07 | 2,920 |
| ING MAP PLUS NP28 | 96.620 | 32.54 | 3,144 |
| | <u>5,164.616</u> | | <u>\$ 175,961</u> |
| Invesco Van Kampen Small Cap Value Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP3 | 309.711 | \$ 15.27 | \$ 4,729 |
| ING MAP PLUS NP8 | 17.328 | 15.17 | 263 |
| ING MAP PLUS NP11 | 1,688.170 | 15.11 | 25,508 |
| ING MAP PLUS NP17 | 1,628.585 | 14.99 | 24,412 |
| ING MAP PLUS NP26 | 1,421.337 | 14.81 | 21,050 |
| ING MAP PLUS NP30 | 36.643 | 14.73 | 540 |
| ING MAP PLUS NP32 | 342.121 | 14.69 | 5,026 |
| | <u>5,443.895</u> | | <u>\$ 81,528</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---|----------------------|-------------------|-----------------------|
| Invesco Van Kampen Small Cap Value Fund - Class Y | | | |
| Contracts in accumulation period: | | | |
| Qualified XLII | 1,024,018.552 | \$ 8.62 | \$ 8,827,040 |
| Invesco V.I. Capital Appreciation Fund - Series I Shares | | | |
| Currently payable annuity contracts: | 5,852.545 | \$4.94 to \$9.66 | \$ 29,768 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 65 | 3,248.361 | 10.05 | 32,646 |
| Qualified VI | 808,905.602 | 8.11 | 6,560,224 |
| Qualified VIII | 1,851.490 | 8.10 | 14,997 |
| Qualified X (1.15) | 44,047.806 | 8.21 | 361,632 |
| Qualified X (1.25) | 42,641.407 | 8.11 | 345,822 |
| Qualified XII (0.05) | 3,897.289 | 9.16 | 35,699 |
| Qualified XII (0.20) | 8,565.511 | 9.27 | 79,402 |
| Qualified XII (0.25) | 18,086.339 | 9.21 | 166,575 |
| Qualified XII (0.30) | 5,815.668 | 9.15 | 53,213 |
| Qualified XII (0.40) | 21,470.947 | 9.04 | 194,097 |
| Qualified XII (0.50) | 21,768.400 | 8.92 | 194,174 |
| Qualified XII (0.55) | 23,213.593 | 8.86 | 205,672 |
| Qualified XII (0.60) | 11,748.427 | 8.81 | 103,504 |
| Qualified XII (0.65) | 125,823.273 | 8.75 | 1,100,954 |
| Qualified XII (0.70) | 37,128.762 | 8.70 | 323,020 |
| Qualified XII (0.75) | 42,457.194 | 8.64 | 366,830 |
| Qualified XII (0.80) | 76,192.098 | 8.59 | 654,490 |
| Qualified XII (0.85) | 196,242.461 | 8.53 | 1,673,948 |
| Qualified XII (0.90) | 2,620.670 | 8.48 | 22,223 |
| Qualified XII (0.95) | 149,554.862 | 8.43 | 1,260,747 |
| Qualified XII (1.00) | 159,805.287 | 8.37 | 1,337,570 |
| Qualified XII (1.05) | 26,397.999 | 8.32 | 219,631 |
| Qualified XII (1.10) | 50,108.498 | 8.27 | 414,397 |
| Qualified XII (1.15) | 15,460.488 | 8.21 | 126,931 |
| Qualified XII (1.20) | 19,136.240 | 8.16 | 156,152 |
| Qualified XII (1.25) | 35,318.668 | 8.11 | 286,434 |
| Qualified XII (1.30) | 3,951.706 | 8.06 | 31,851 |
| Qualified XII (1.35) | 2,000 | 8.01 | 16 |
| Qualified XII (1.40) | 14,887.799 | 7.96 | 118,507 |
| Qualified XII (1.45) | 1,598.705 | 7.91 | 12,646 |
| Qualified XII (1.50) | 2,763.015 | 7.86 | 21,717 |
| Qualified XV | 9,666.851 | 8.40 | 81,202 |
| Qualified XVI | 28,212.444 | 7.86 | 221,750 |
| Qualified XVIII | 319.439 | 8.11 | 2,591 |
| Qualified XXVII | 330,032.455 | 5.16 | 1,702,967 |
| Qualified XXXII | 284.134 | 9.49 | 2,696 |
| Qualified XXXIV | 10,385.718 | 7.02 | 72,908 |
| Qualified XXXVI | 682.961 | 9.69 | 6,618 |
| Qualified XXXVIII | 7,121.967 | 7.21 | 51,349 |
| Qualified XLIII | 779.358 | 7.03 | 5,479 |
| Qualified LIV | 6,425.618 | 9.86 | 63,357 |
| Qualified LVI | 28,168.696 | 10.14 | 285,631 |
| | <u>2,402,642.751</u> | | <u>\$ 19,002,037</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|----------------------|--------------------|-----------------------|
| Invesco V.I. Core Equity Fund - Series I Shares | | | |
| Currently payable annuity contracts: | 52,922.970 | \$12.17 to \$13.68 | \$ 719,714 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 65 | 8,874.156 | 13.18 | 116,961 |
| Qualified VI | 1,121,646.483 | 9.92 | 11,126,733 |
| Qualified X (1.15) | 51,360.636 | 10.05 | 516,174 |
| Qualified X (1.25) | 48,092.786 | 9.92 | 477,080 |
| Qualified XII (0.05) | 11,787.087 | 11.21 | 132,133 |
| Qualified XII (0.20) | 13,132.503 | 11.34 | 148,923 |
| Qualified XII (0.25) | 18,670.069 | 11.27 | 210,412 |
| Qualified XII (0.30) | 12,508.598 | 11.19 | 139,971 |
| Qualified XII (0.35) | 1,072.564 | 11.12 | 11,927 |
| Qualified XII (0.40) | 24,307.969 | 11.05 | 268,603 |
| Qualified XII (0.50) | 23,759.392 | 10.91 | 259,215 |
| Qualified XII (0.55) | 40,947.758 | 10.84 | 443,874 |
| Qualified XII (0.60) | 18,171.521 | 10.78 | 195,889 |
| Qualified XII (0.65) | 114,277.136 | 10.71 | 1,223,908 |
| Qualified XII (0.70) | 49,666.088 | 10.64 | 528,447 |
| Qualified XII (0.75) | 50,550.368 | 10.57 | 534,317 |
| Qualified XII (0.80) | 110,565.602 | 10.51 | 1,162,044 |
| Qualified XII (0.85) | 184,223.925 | 10.44 | 1,923,298 |
| Qualified XII (0.90) | 6,563.151 | 10.37 | 68,060 |
| Qualified XII (0.95) | 176,657.287 | 10.31 | 1,821,337 |
| Qualified XII (1.00) | 426,367.405 | 10.24 | 4,366,002 |
| Qualified XII (1.05) | 52,221.258 | 10.18 | 531,612 |
| Qualified XII (1.10) | 52,107.145 | 10.11 | 526,803 |
| Qualified XII (1.15) | 27,417.778 | 10.05 | 275,549 |
| Qualified XII (1.20) | 26,534.454 | 9.98 | 264,814 |
| Qualified XII (1.25) | 52,372.143 | 9.92 | 519,532 |
| Qualified XII (1.30) | 1,596.764 | 9.86 | 15,744 |
| Qualified XII (1.35) | 0.146 | 9.80 | 1 |
| Qualified XII (1.40) | 11,968.445 | 9.73 | 116,453 |
| Qualified XII (1.45) | 4,067.967 | 9.67 | 39,337 |
| Qualified XII (1.50) | 6,554.140 | 9.61 | 62,985 |
| Qualified XV | 3,311.455 | 10.28 | 34,042 |
| Qualified XVI | 29,720.542 | 9.61 | 285,614 |
| Qualified XVII | 328.853 | 9.93 | 3,266 |
| Qualified XVIII | 3,021.838 | 9.93 | 30,007 |
| Qualified XXVII | 556,507.423 | 8.08 | 4,496,580 |
| Qualified XXXII | 429.966 | 13.33 | 5,731 |
| Qualified XXXIII (0.65) | 3,285.726 | 13.89 | 45,639 |
| Qualified XXXIV | 12,260.259 | 9.39 | 115,124 |
| Qualified XXXVI | 3,998.436 | 14.03 | 56,098 |
| Qualified XXXVIII | 24,961.058 | 9.66 | 241,124 |
| Qualified XLIII | 239.695 | 9.41 | 2,256 |
| Qualified LIV | 3,368.543 | 12.93 | 43,555 |
| Qualified LVI | 50,638.293 | 13.29 | 672,983 |
| Qualified LIX | 773.026 | 14.19 | 10,969 |
| | <u>3,493,810.807</u> | | <u>\$ 34,790,840</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 | 3,648.353 | \$ 35.68 | \$ 130,173 |
| Qualified XII (0.40) | 0.193 | 35.79 | 7 |
| Qualified XII (0.50) | 190.896 | 24.53 | 4,683 |
| Qualified XII (0.65) | 15.038 | 22.87 | 344 |
| Qualified XII (0.70) | 6.674 | 22.71 | 152 |
| Qualified XII (0.90) | 60.671 | 23.43 | 1,422 |
| Qualified XII (0.95) | 150.424 | 33.30 | 5,009 |
| Qualified XII (1.00) | 173.889 | 33.04 | 5,745 |
| Qualified XII (1.15) | 57.602 | 32.27 | 1,859 |
| Qualified XII (1.20) | 34.547 | 32.02 | 1,106 |
| Qualified XII (1.40) | 0.074 | 31.03 | 2 |
| | <u>4,338.361</u> | | <u>\$ 150,502</u> |
| Janus Aspen Series Enterprise Portfolio - Institutional Shares | | | |
| Contracts in accumulation period: | | | |
| Qualified VI | 9,049.790 | \$ 30.67 | \$ 277,557 |
| Qualified XII (0.40) | 10.793 | 23.10 | 249 |
| Qualified XII (0.45) | 0.050 | 19.71 | 1 |
| Qualified XII (0.50) | 200.550 | 20.24 | 4,059 |
| Qualified XII (0.65) | 15.006 | 19.18 | 288 |
| Qualified XII (0.70) | 727.500 | 19.05 | 13,859 |
| Qualified XII (0.85) | 139.606 | 21.83 | 3,048 |
| Qualified XII (0.90) | 28.425 | 19.66 | 559 |
| Qualified XII (0.95) | 161.551 | 21.49 | 3,472 |
| Qualified XII (1.00) | 8.960 | 21.32 | 191 |
| Qualified XII (1.20) | 677.350 | 20.66 | 13,994 |
| Qualified XII (1.50) | 12.704 | 19.71 | 250 |
| Qualified XVII | 151.803 | 30.67 | 4,656 |
| | <u>11,184.088</u> | | <u>\$ 322,183</u> |
| Janus Aspen Series Flexible Bond Portfolio - Institutional Shares | | | |
| Contracts in accumulation period: | | | |
| Qualified VI | 1,446.844 | \$ 29.46 | \$ 42,624 |
| Qualified X (1.15) | 7.614 | 20.09 | 153 |
| Qualified XII (0.50) | 21.198 | 22.31 | 473 |
| Qualified XII (0.60) | 0.229 | 21.60 | 5 |
| Qualified XII (0.70) | 767.954 | 21.31 | 16,365 |
| Qualified XII (0.80) | 20.217 | 21.46 | 434 |
| Qualified XII (0.85) | 1.343 | 26.20 | 35 |
| Qualified XII (0.95) | 0.202 | 25.80 | 5 |
| Qualified XII (1.00) | 186.648 | 25.59 | 4,776 |
| Qualified XII (1.15) | 11.384 | 25.00 | 285 |
| Qualified XII (1.50) | 7.924 | 23.67 | 188 |
| | <u>2,471.557</u> | | <u>\$ 65,343</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 Janus Portfolio - Institutional Shares | | | |
| Contracts in accumulation period: | | | |
| Qualified VI | 1,925.647 | \$ 19.60 | \$ 37,743 |
| Qualified X (1.15) | 18.069 | 21.31 | 385 |
| Qualified XII (0.50) | 237.268 | 12.96 | 3,075 |
| Qualified XII (0.70) | 964.006 | 11.90 | 11,472 |
| Qualified XII (0.80) | 55.818 | 12.92 | 721 |
| Qualified XII (0.85) | 0.179 | 17.83 | 3 |
| Qualified XII (0.90) | 35.407 | 12.38 | 438 |
| Qualified XII (0.95) | 72.141 | 17.56 | 1,267 |
| Qualified XII (1.00) | 6.109 | 17.42 | 106 |
| Qualified XII (1.05) | 1.835 | 17.29 | 32 |
| Qualified XII (1.40) | 3.336 | 16.36 | 55 |
| Qualified XXXIV | 220.049 | 8.54 | 1,879 |
| | <u>3,539.864</u> | | <u>\$ 57,176</u> |
| Janus Aspen Series Worldwide Portfolio - Institutional Shares | | | |
| Contracts in accumulation period: | | | |
| Qualified VI | 4,269.786 | \$ 19.68 | \$ 84,029 |
| Qualified XII (0.40) | 57.235 | 18.15 | 1,039 |
| Qualified XII (0.45) | 0.092 | 10.50 | 1 |
| Qualified XII (0.50) | 172.893 | 11.70 | 2,023 |
| Qualified XII (0.65) | 14.967 | 10.22 | 153 |
| Qualified XII (0.70) | 945.524 | 10.15 | 9,597 |
| Qualified XII (0.80) | 40.992 | 11.77 | 482 |
| Qualified XII (0.85) | 82.545 | 17.15 | 1,416 |
| Qualified XII (0.90) | 57.485 | 11.36 | 653 |
| Qualified XII (0.95) | 77.034 | 16.88 | 1,300 |
| Qualified XII (1.00) | 251.556 | 16.75 | 4,214 |
| Qualified XII (1.15) | 91.112 | 16.36 | 1,491 |
| Qualified XII (1.20) | 196.068 | 16.24 | 3,184 |
| Qualified XII (1.50) | 4.382 | 15.49 | 68 |
| Qualified XVII | 213.254 | 19.68 | 4,197 |
| | <u>6,474.925</u> | | <u>\$ 113,847</u> |
| Lazard U.S. Mid Cap Equity Portfolio - Open Shares | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 65 | 97.731 | \$ 8.52 | \$ 833 |
| ING MAP PLUS NP8 | 23,971.713 | 8.46 | 202,801 |
| ING MAP PLUS NP17 | 489.331 | 8.28 | 4,052 |
| Qualified VI | 67,635.010 | 8.19 | 553,931 |
| Qualified XII (0.00) | 857.810 | 8.68 | 7,446 |
| Qualified XII (0.20) | 4,211.595 | 8.60 | 36,220 |
| Qualified XII (0.40) | 5,523.772 | 8.52 | 47,063 |
| Qualified XII (0.50) | 236,493.855 | 8.48 | 2,005,468 |
| Qualified XII (0.55) | 140.157 | 8.46 | 1,186 |
| Qualified XII (0.60) | 3,317.264 | 8.44 | 27,998 |
| Qualified XII (0.65) | 28.184 | 8.42 | 237 |
| Qualified XII (0.70) | 678.446 | 8.40 | 5,699 |
| Qualified XII (0.75) | 11,345.473 | 8.38 | 95,075 |
| Qualified XII (0.80) | 19,180.684 | 8.36 | 160,351 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---|--------------------|-------------------|-----------------------|
| Lazard U.S. Mid Cap Equity Portfolio - Open Shares | | | |
| (continued) | | | |
| Qualified XII (0.85) | 28,222.465 | \$ 8.34 | \$ 235,375 |
| Qualified XII (0.95) | 9,562.941 | 8.30 | 79,372 |
| Qualified XII (1.00) | 26,095.254 | 8.28 | 216,069 |
| Qualified XII (1.05) | 143.519 | 8.26 | 1,185 |
| Qualified XII (1.10) | 613.900 | 8.24 | 5,059 |
| Qualified XII (1.15) | 39.221 | 8.22 | 322 |
| Qualified XII (1.20) | 2,186.285 | 8.21 | 17,949 |
| Qualified XII (1.25) | 2,137.405 | 8.19 | 17,505 |
| Qualified XII (1.35) | 2,693.778 | 8.15 | 21,954 |
| Qualified XII (1.40) | 46.074 | 8.13 | 375 |
| Qualified XV | 18.202 | 8.30 | 151 |
| Qualified XVI | 4,634.294 | 8.09 | 37,491 |
| Qualified XVII | 291.921 | 8.19 | 2,391 |
| Qualified XXXIV | 65.869 | 8.88 | 585 |
| Qualified XXXVIII | 164.298 | 9.13 | 1,500 |
| Qualified LIV | 932.533 | 8.36 | 7,796 |
| | <u>451,818.984</u> | | <u>\$ 3,793,439</u> |
| LKCM Aquinas Growth Fund | | | |
| Contracts in accumulation period: | | | |
| Qualified XXXIV | 28,941.489 | \$ 10.05 | \$ 290,862 |
| Loomis Sayles Small Cap Value Fund - Retail Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 13.607 | \$ 10.84 | \$ 147 |
| ING Custom Choice 65 | 362.390 | 11.19 | 4,055 |
| Qualified VI | 178,747.889 | 10.84 | 1,937,627 |
| Qualified XII (0.30) | 156.822 | 11.23 | 1,761 |
| Qualified XII (0.40) | 9,938.409 | 11.19 | 111,211 |
| Qualified XII (0.50) | 24,093.814 | 11.14 | 268,405 |
| Qualified XII (0.55) | 1,139.910 | 11.12 | 12,676 |
| Qualified XII (0.60) | 6,595.059 | 11.10 | 73,205 |
| Qualified XII (0.65) | 1,582.088 | 11.08 | 17,530 |
| Qualified XII (0.70) | 3,755.295 | 11.06 | 41,534 |
| Qualified XII (0.75) | 25,922.368 | 11.04 | 286,183 |
| Qualified XII (0.80) | 12,254.088 | 11.02 | 135,040 |
| Qualified XII (0.85) | 67,440.212 | 11.00 | 741,842 |
| Qualified XII (0.90) | 2,654.931 | 10.98 | 29,151 |
| Qualified XII (0.95) | 27,053.824 | 10.96 | 296,510 |
| Qualified XII (1.00) | 168,310.225 | 10.94 | 1,841,314 |
| Qualified XII (1.05) | 364.172 | 10.92 | 3,977 |
| Qualified XII (1.10) | 7,406.299 | 10.90 | 80,729 |
| Qualified XII (1.15) | 4,894.812 | 10.88 | 53,256 |
| Qualified XII (1.20) | 41.654 | 10.86 | 452 |
| Qualified XII (1.25) | 4,840.411 | 10.84 | 52,470 |
| Qualified XII (1.40) | 595.076 | 10.78 | 6,415 |
| Qualified XII (1.50) | 154.260 | 10.75 | 1,658 |
| Qualified XVI | 6,681.102 | 10.75 | 71,822 |
| Qualified XXI | 83,693.922 | 11.02 | 922,307 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---|--------------------|-------------------|-----------------------|
| Loomis Sayles Small Cap Value Fund - Retail Class | | | |
| (continued) | | | |
| Qualified XXXIV | 112.636 | \$ 11.04 | \$ 1,244 |
| Qualified XXXVIII | 1,532.832 | 11.35 | 17,398 |
| Qualified LIV | 18,882.866 | 11.02 | 208,089 |
| Qualified LVI | 8,560.720 | 11.25 | 96,308 |
| | <u>667,781.693</u> | | <u>\$ 7,314,316</u> |
| Lord Abbett Developing Growth Fund, Inc. - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP8 | 1,296.925 | \$ 14.26 | \$ 18,494 |
| ING MAP PLUS NP11 | 1,818.999 | 14.22 | 25,866 |
| ING MAP PLUS NP13 | 90.794 | 14.19 | 1,288 |
| ING MAP PLUS NP14 | 1,780.606 | 14.18 | 25,249 |
| ING MAP PLUS NP15 | 66.997 | 14.16 | 949 |
| ING MAP PLUS NP26 | 124.433 | 14.01 | 1,743 |
| ING MAP PLUS NP30 | 222.210 | 13.96 | 3,102 |
| | <u>5,400.964</u> | | <u>\$ 76,691</u> |
| Lord Abbett Core Fixed Income Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP15 | 176.314 | \$ 10.61 | \$ 1,871 |
| ING MAP PLUS NP20 | 482.255 | 10.57 | 5,097 |
| ING MAP PLUS NP24 | 4,194.953 | 10.53 | 44,173 |
| ING MAP PLUS NP26 | 13.764 | 10.52 | 145 |
| | <u>4,867.286</u> | | <u>\$ 51,286</u> |
| Lord Abbett Mid-Cap Value Fund, Inc. - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP8 | 12,539.211 | \$ 13.08 | \$ 164,013 |
| ING MAP PLUS NP9 | 18,470.688 | 13.03 | 240,673 |
| ING MAP PLUS NP11 | 12,081.315 | 12.93 | 156,211 |
| ING MAP PLUS NP12 | 1,054.635 | 12.88 | 13,584 |
| ING MAP PLUS NP13 | 1,378.949 | 12.83 | 17,692 |
| ING MAP PLUS NP15 | 20,652.555 | 12.73 | 262,907 |
| ING MAP PLUS NP16 | 78.731 | 12.68 | 998 |
| ING MAP PLUS NP17 | 2,624.935 | 12.63 | 33,153 |
| ING MAP PLUS NP20 | 13,692.199 | 12.48 | 170,879 |
| ING MAP PLUS NP23 | 2,983.783 | 12.33 | 36,790 |
| ING MAP PLUS NP26 | 86.252 | 12.18 | 1,051 |
| ING MAP PLUS NP28 | 1,059.425 | 12.09 | 12,808 |
| ING MAP PLUS NP32 | 323.250 | 11.90 | 3,847 |
| Qualified XII (1.00) | 15,225.996 | 15.01 | 228,542 |
| | <u>102,251.924</u> | | <u>\$ 1,343,148</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 | 13,233.085 | \$ 18.50 | \$ 244,812 |
| ING MAP PLUS NP9 | 106.146 | 18.43 | 1,956 |
| ING MAP PLUS NP11 | 18,663.089 | 18.29 | 341,348 |
| ING MAP PLUS NP12 | 452.341 | 18.21 | 8,237 |
| ING MAP PLUS NP13 | 393.378 | 18.14 | 7,136 |
| ING MAP PLUS NP14 | 608.442 | 18.07 | 10,995 |
| ING MAP PLUS NP15 | 3,338.053 | 18.00 | 60,085 |
| ING MAP PLUS NP17 | 108.214 | 17.86 | 1,933 |
| ING MAP PLUS NP20 | 11,064.555 | 17.65 | 195,289 |
| ING MAP PLUS NP21 | 4,605.054 | 17.58 | 80,957 |
| ING MAP PLUS NP23 | 9,218.787 | 17.44 | 160,776 |
| ING MAP PLUS NP29 | 1,414.089 | 17.03 | 24,082 |
| | <u>63,205.233</u> | | <u>\$ 1,137,606</u> |
| Lord Abbett Fundamental Equity Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 1,874.046 | \$ 11.85 | \$ 22,207 |
| ING MAP PLUS NP18 | 167.141 | 11.66 | 1,949 |
| ING MAP PLUS NP21 | 1,711.231 | 11.62 | 19,885 |
| ING MAP PLUS NP30 | 98.892 | 11.52 | 1,139 |
| | <u>3,851.310</u> | | <u>\$ 45,180</u> |
| Lord Abbett Series Fund - Mid-Cap Value Portfolio - Class VC | | | |
| Currently payable annuity contracts: | 68,085.933 | \$ 13.51 | \$ 919,841 |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 758.075 | 12.52 | 9,491 |
| ING Custom Choice 65 | 14,811.293 | 11.60 | 171,811 |
| Qualified VI | 1,224,326.095 | 13.00 | 15,916,239 |
| Qualified X (1.15) | 53,996.549 | 13.13 | 708,975 |
| Qualified X (1.25) | 143,372.076 | 13.00 | 1,863,837 |
| Qualified XII (0.10) | 81.821 | 14.66 | 1,199 |
| Qualified XII (0.20) | 118,598.974 | 14.51 | 1,720,871 |
| Qualified XII (0.25) | 128,101.683 | 14.43 | 1,848,507 |
| Qualified XII (0.30) | 31,626.408 | 14.35 | 453,839 |
| Qualified XII (0.35) | 130.608 | 14.28 | 1,865 |
| Qualified XII (0.40) | 71,716.788 | 14.21 | 1,019,096 |
| Qualified XII (0.50) | 54,942.927 | 14.06 | 772,498 |
| Qualified XII (0.55) | 34,220.770 | 13.98 | 478,406 |
| Qualified XII (0.60) | 1,013,189.523 | 13.91 | 14,093,466 |
| Qualified XII (0.65) | 140,878.105 | 13.84 | 1,949,753 |
| Qualified XII (0.70) | 84,097.630 | 13.77 | 1,158,024 |
| Qualified XII (0.75) | 70,963.108 | 13.69 | 971,485 |
| Qualified XII (0.80) | 76,153.825 | 13.62 | 1,037,215 |
| Qualified XII (0.85) | 369,790.605 | 13.55 | 5,010,663 |
| Qualified XII (0.90) | 8,788.166 | 13.48 | 118,464 |
| Qualified XII (0.95) | 253,651.166 | 13.41 | 3,401,462 |
| Qualified XII (1.00) | 732,382.810 | 13.34 | 9,769,987 |
| Qualified XII (1.05) | 20,886.295 | 13.27 | 277,161 |
| Qualified XII (1.10) | 38,136.166 | 13.20 | 503,397 |

**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 (1.15) | 32,890.276 | \$ 13.13 | \$ 431,849 |
| Qualified XII (1.20) | 8,303.716 | 13.07 | 108,530 |
| Qualified XII (1.25) | 82,997.602 | 13.00 | 1,078,969 |
| Qualified XII (1.30) | 6,668.993 | 12.93 | 86,230 |
| Qualified XII (1.35) | 1,164.700 | 12.86 | 14,978 |
| Qualified XII (1.40) | 5,401.719 | 12.80 | 69,142 |
| Qualified XII (1.45) | 963.413 | 12.73 | 12,264 |
| Qualified XII (1.50) | 1,644.367 | 12.66 | 20,818 |
| Qualified XIII | 359.664 | 13.41 | 4,823 |
| Qualified XV | 6,743.574 | 13.41 | 90,431 |
| Qualified XVI | 43,191.641 | 12.66 | 546,806 |
| Qualified XVII | 1,194.138 | 13.00 | 15,524 |
| Qualified XVIII | 1,848.660 | 13.00 | 24,033 |
| Qualified XXVII | 886,700.617 | 16.51 | 14,639,427 |
| Qualified XXVIII | 576,679.357 | 14.30 | 8,246,515 |
| Qualified XXXII | 3,004.596 | 13.09 | 39,330 |
| Qualified XXXIII (0.65) | 31,931.648 | 15.49 | 494,621 |
| Qualified XXXIV | 1,781.424 | 8.50 | 15,142 |
| Qualified XXXVIII | 11,649.551 | 8.73 | 101,701 |
| Qualified XLIII | 1,870.573 | 8.51 | 15,919 |
| Qualified LIV | 35,868.328 | 11.38 | 408,182 |
| Qualified LVI | 26,280.965 | 11.70 | 307,487 |
| | <u>6,522,826.921</u> | | <u>\$ 90,950,273</u> |
| Massachusetts Investors Growth Stock Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP8 | 22,922.681 | \$ 12.95 | \$ 296,849 |
| ING MAP PLUS NP12 | 7,425.285 | 12.75 | 94,672 |
| ING MAP PLUS NP15 | 1,113.589 | 12.60 | 14,031 |
| ING MAP PLUS NP17 | 1,020.031 | 12.50 | 12,750 |
| ING MAP PLUS NP18 | 19.339 | 12.45 | 241 |
| ING MAP PLUS NP20 | 265.940 | 12.35 | 3,284 |
| ING MAP PLUS NP23 | 546.236 | 12.20 | 6,664 |
| | <u>33,313.101</u> | | <u>\$ 428,491</u> |
| Neuberger Berman Genesis Fund® - Trust Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP11 | 3,250.135 | \$ 12.15 | \$ 39,489 |
| ING MAP PLUS NP18 | 2,217.859 | 12.09 | 26,814 |
| ING MAP PLUS NP30 | 11.229 | 11.99 | 135 |
| | <u>5,479.223</u> | | <u>\$ 66,438</u> |

**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 Custom Choice 62 | 212.371 | \$ 10.20 | \$ 2,166 |
| ING MAP PLUS NP6 | 8,165.452 | 10.64 | 86,880 |
| ING MAP PLUS NP8 | 5,214.510 | 10.58 | 55,170 |
| ING MAP PLUS NP9 | 31,116.506 | 10.55 | 328,279 |
| ING MAP PLUS NP11 | 980.474 | 10.49 | 10,285 |
| ING MAP PLUS NP12 | 17,379.237 | 10.46 | 181,787 |
| ING MAP PLUS NP13 | 590.739 | 10.44 | 6,167 |
| ING MAP PLUS NP14 | 17,149.677 | 10.41 | 178,528 |
| ING MAP PLUS NP15 | 26,072.914 | 10.38 | 270,637 |
| ING MAP PLUS NP16 | 886.701 | 10.35 | 9,177 |
| ING MAP PLUS NP17 | 9,030.783 | 10.32 | 93,198 |
| ING MAP PLUS NP18 | 624.259 | 10.29 | 6,424 |
| ING MAP PLUS NP19 | 1,154.385 | 10.26 | 11,844 |
| ING MAP PLUS NP22 | 833.909 | 10.17 | 8,481 |
| ING MAP PLUS NP25 | 5,512.035 | 10.09 | 55,616 |
| ING MAP PLUS NP26 | 1,699.034 | 10.06 | 17,092 |
| ING MAP PLUS NP28 | 112.073 | 10.00 | 1,121 |
| ING MAP PLUS NP32 | 178.198 | 9.89 | 1,762 |
| Qualified V | 79.773 | 10.11 | 807 |
| Qualified VI | 191,546.676 | 10.20 | 1,953,776 |
| Qualified XII (0.25) | 308.949 | 10.80 | 3,337 |
| Qualified XII (0.30) | 2,117.982 | 10.77 | 22,811 |
| Qualified XII (0.40) | 5,148.279 | 10.70 | 55,087 |
| Qualified XII (0.50) | 18,133.856 | 10.64 | 192,944 |
| Qualified XII (0.55) | 24,007.192 | 10.61 | 254,716 |
| Qualified XII (0.60) | 26,248.630 | 10.58 | 277,711 |
| Qualified XII (0.65) | 20,286.723 | 10.55 | 214,025 |
| Qualified XII (0.70) | 9,711.490 | 10.52 | 102,165 |
| Qualified XII (0.75) | 22,037.231 | 10.49 | 231,171 |
| Qualified XII (0.80) | 7,387.912 | 10.46 | 77,278 |
| Qualified XII (0.85) | 44,934.936 | 10.43 | 468,671 |
| Qualified XII (0.90) | 956.130 | 10.41 | 9,953 |
| Qualified XII (0.95) | 46,798.940 | 10.38 | 485,773 |
| Qualified XII (1.00) | 396,970.606 | 10.35 | 4,108,646 |
| Qualified XII (1.05) | 3,914.744 | 10.32 | 40,400 |
| Qualified XII (1.10) | 5,966.181 | 10.29 | 61,392 |
| Qualified XII (1.15) | 4,487.019 | 10.26 | 46,037 |
| Qualified XII (1.20) | 4,825.238 | 10.23 | 49,362 |
| Qualified XII (1.25) | 18,964.269 | 10.20 | 193,436 |
| Qualified XII (1.30) | 78.679 | 10.17 | 800 |
| Qualified XII (1.40) | 1,832.735 | 10.11 | 18,529 |
| Qualified XV | 375.763 | 10.38 | 3,900 |
| Qualified XVI | 7,887.924 | 10.06 | 79,353 |
| Qualified XXXIV | 380.056 | 9.22 | 3,504 |
| Qualified XXXVIII | 2,075.341 | 9.47 | 19,653 |
| Qualified LIV | 1,603.196 | 10.52 | 16,866 |
| Qualified LVI | 5,545.950 | 10.81 | 59,952 |
| | <u>1,001,525.657</u> | | <u>\$ 10,376,669</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 | 125,636.315 | \$ 15.07 | \$ 1,893,339 |
| ING MAP PLUS NP6 | 10,304.241 | 14.77 | 152,194 |
| ING MAP PLUS NP8 | 24,826.780 | 14.65 | 363,712 |
| ING MAP PLUS NP9 | 4,733.762 | 14.60 | 69,113 |
| ING MAP PLUS NP10 | 233.864 | 14.54 | 3,400 |
| ING MAP PLUS NP11 | 6,756.008 | 14.48 | 97,827 |
| ING MAP PLUS NP12 | 7,474.907 | 14.42 | 107,788 |
| ING MAP PLUS NP13 | 2,632.288 | 14.37 | 37,826 |
| ING MAP PLUS NP14 | 17,810.467 | 14.31 | 254,868 |
| ING MAP PLUS NP15 | 15,514.507 | 14.25 | 221,082 |
| ING MAP PLUS NP17 | 2,088.989 | 14.14 | 29,538 |
| ING MAP PLUS NP18 | 488.881 | 14.09 | 6,888 |
| ING MAP PLUS NP19 | 1,763.990 | 14.03 | 24,749 |
| ING MAP PLUS NP21 | 4,524.888 | 13.92 | 62,986 |
| ING MAP PLUS NP22 | 1,640.544 | 13.87 | 22,754 |
| ING MAP PLUS NP23 | 3,884.214 | 13.81 | 53,641 |
| ING MAP PLUS NP24 | 2,039.041 | 13.76 | 28,057 |
| ING MAP PLUS NP25 | 1.620 | 13.70 | 22 |
| ING MAP PLUS NP26 | 1,504.985 | 13.65 | 20,543 |
| ING MAP PLUS NP28 | 1,809.468 | 13.54 | 24,500 |
| ING MAP PLUS NP29 | 35.259 | 13.49 | 476 |
| ING MAP PLUS NP30 | 30.148 | 13.43 | 405 |
| ING MAP PLUS NP32 | 131.692 | 13.33 | 1,755 |
| | <u>235,866.858</u> | | <u>\$ 3,477,463</u> |
| New Perspective Fund®, Inc. - Class R-4 | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 612.079 | \$ 14.65 | \$ 8,967 |
| ING Custom Choice 65 | 3,225.940 | 14.05 | 45,324 |
| Qualified VI | 818,726.088 | 14.26 | 11,675,034 |
| Qualified XII (0.00) | 51,749.153 | 15.69 | 811,944 |
| Qualified XII (0.20) | 147,102.621 | 15.45 | 2,272,735 |
| Qualified XII (0.25) | 2,063.010 | 15.40 | 31,770 |
| Qualified XII (0.30) | 50,766.797 | 15.34 | 778,763 |
| Qualified XII (0.35) | 2,552.604 | 15.28 | 39,004 |
| Qualified XII (0.40) | 45,889.172 | 15.22 | 698,433 |
| Qualified XII (0.50) | 866,891.059 | 15.10 | 13,090,055 |
| Qualified XII (0.55) | 35,787.564 | 15.04 | 538,245 |
| Qualified XII (0.60) | 22,867.806 | 14.99 | 342,788 |
| Qualified XII (0.65) | 52,508.476 | 14.93 | 783,952 |
| Qualified XII (0.70) | 27,032.188 | 14.87 | 401,969 |
| Qualified XII (0.75) | 209,691.097 | 14.82 | 3,107,622 |
| Qualified XII (0.80) | 172,932.276 | 14.76 | 2,552,480 |
| Qualified XII (0.85) | 220,524.104 | 14.70 | 3,241,704 |
| Qualified XII (0.90) | 2,951.453 | 14.65 | 43,239 |
| Qualified XII (0.95) | 292,742.582 | 14.59 | 4,271,114 |
| Qualified XII (1.00) | 555,728.736 | 14.53 | 8,074,739 |
| Qualified XII (1.05) | 8,168.747 | 14.48 | 118,283 |

**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 (1.10) | 17,858.540 | \$ 14.42 | \$ 257,520 |
| Qualified XII (1.15) | 14,208.549 | 14.37 | 204,177 |
| Qualified XII (1.20) | 16,606.190 | 14.31 | 237,635 |
| Qualified XII (1.25) | 61,585.805 | 14.26 | 878,214 |
| Qualified XII (1.30) | 1,761.887 | 14.20 | 25,019 |
| Qualified XII (1.35) | 917.850 | 14.15 | 12,988 |
| Qualified XII (1.40) | 8,507.991 | 14.10 | 119,963 |
| Qualified XII (1.45) | 1,048.867 | 14.04 | 14,726 |
| Qualified XII (1.50) | 722.813 | 13.99 | 10,112 |
| Qualified XV | 1,163.467 | 14.59 | 16,975 |
| Qualified XVI | 12,570.518 | 13.99 | 175,862 |
| Qualified XVII | 2,785.784 | 14.37 | 40,032 |
| Qualified XXI | 214,935.275 | 14.76 | 3,172,445 |
| Qualified XXXVII | 621,220.097 | 13.31 | 8,268,439 |
| Qualified XXXIII (0.65) | 22,285.030 | 15.34 | 341,852 |
| Qualified XXXVIII | 11,187.315 | 8.77 | 98,113 |
| Qualified LIV | 13,851.260 | 13.79 | 191,009 |
| Qualified LVI | 4,961.066 | 14.18 | 70,348 |
| | <u>4,618,691.856</u> | | <u>\$ 67,063,593</u> |
| Oppenheimer Capital Appreciation Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP9 | 186.162 | \$ 10.62 | \$ 1,977 |
| ING MAP PLUS NP12 | 942.406 | 10.49 | 9,886 |
| ING MAP PLUS NP15 | 29,376.160 | 10.37 | 304,631 |
| ING MAP PLUS NP19 | 6,733.729 | 10.21 | 68,751 |
| ING MAP PLUS NP21 | 7.350 | 10.13 | 74 |
| ING MAP PLUS NP22 | 444.875 | 10.09 | 4,489 |
| ING MAP PLUS NP23 | 1,005.908 | 10.05 | 10,109 |
| | <u>38,696.590</u> | | <u>\$ 399,917</u> |
| Oppenheimer Developing Markets Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 4,871.723 | \$ 30.62 | \$ 149,172 |
| ING Custom Choice 65 | 14,369.678 | 22.41 | 322,024 |
| ING MAP PLUS NP1 | 22,456.728 | 30.05 | 674,825 |
| ING MAP PLUS NP3 | 984.402 | 29.82 | 29,355 |
| ING MAP PLUS NP4 | 2,641.982 | 29.70 | 78,467 |
| ING MAP PLUS NP6 | 5,686.942 | 29.47 | 167,594 |
| ING MAP PLUS NP8 | 4,392.670 | 29.23 | 128,398 |
| ING MAP PLUS NP9 | 3,930.649 | 29.12 | 114,460 |
| ING MAP PLUS NP11 | 3,597.375 | 28.89 | 103,928 |
| ING MAP PLUS NP12 | 9,958.209 | 28.78 | 286,597 |
| ING MAP PLUS NP13 | 148.050 | 28.66 | 4,243 |
| ING MAP PLUS NP14 | 6,938.616 | 28.55 | 198,097 |
| ING MAP PLUS NP15 | 10,571.459 | 28.44 | 300,652 |
| ING MAP PLUS NP16 | 6,114.709 | 28.32 | 173,169 |
| ING MAP PLUS NP17 | 6,297.515 | 28.21 | 177,653 |
| ING MAP PLUS NP18 | 2,241.324 | 28.10 | 62,981 |
| ING MAP PLUS NP19 | 5,092.663 | 27.99 | 142,544 |

**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) | | | |
| ING MAP PLUS NP20 | 1,080.243 | \$ 27.88 | \$ 30,117 |
| ING MAP PLUS NP21 | 6,284.685 | 27.77 | 174,526 |
| ING MAP PLUS NP22 | 2,354.728 | 27.66 | 65,132 |
| ING MAP PLUS NP23 | 4,019.082 | 27.55 | 110,726 |
| ING MAP PLUS NP25 | 805.016 | 27.33 | 22,001 |
| ING MAP PLUS NP26 | 1,390.692 | 27.23 | 37,869 |
| ING MAP PLUS NP28 | 101.341 | 27.01 | 2,737 |
| ING MAP PLUS NP32 | 26.496 | 26.59 | 705 |
| Qualified V | 58.676 | 60.22 | 3,533 |
| Qualified VI | 1,095,189.298 | 61.33 | 67,167,960 |
| Qualified XII (0.00) | 7,549.428 | 70.71 | 533,820 |
| Qualified XII (0.10) | 22.179 | 69.91 | 1,551 |
| Qualified XII (0.20) | 33,584.174 | 69.12 | 2,321,338 |
| Qualified XII (0.25) | 1,095.039 | 68.72 | 75,251 |
| Qualified XII (0.30) | 7,114.507 | 68.33 | 486,134 |
| Qualified XII (0.40) | 91,690.306 | 67.56 | 6,194,597 |
| Qualified XII (0.50) | 412,464.815 | 66.79 | 27,548,525 |
| Qualified XII (0.55) | 27,118.564 | 66.41 | 1,800,944 |
| Qualified XII (0.60) | 16,735.422 | 66.04 | 1,105,207 |
| Qualified XII (0.65) | 47,575.154 | 65.66 | 3,123,785 |
| Qualified XII (0.70) | 55,322.334 | 65.29 | 3,611,995 |
| Qualified XII (0.75) | 62,432.948 | 64.92 | 4,053,147 |
| Qualified XII (0.80) | 33,005.592 | 64.55 | 2,130,511 |
| Qualified XII (0.85) | 215,905.504 | 64.18 | 13,856,815 |
| Qualified XII (0.90) | 6,336.364 | 63.82 | 404,387 |
| Qualified XII (0.95) | 171,874.491 | 63.46 | 10,907,155 |
| Qualified XII (1.00) | 674,108.268 | 63.10 | 42,536,232 |
| Qualified XII (1.05) | 10,146.251 | 62.74 | 636,576 |
| Qualified XII (1.10) | 17,563.941 | 62.38 | 1,095,639 |
| Qualified XII (1.15) | 33,151.143 | 62.03 | 2,056,365 |
| Qualified XII (1.20) | 8,667.777 | 61.68 | 534,628 |
| Qualified XII (1.25) | 54,436.516 | 61.33 | 3,338,592 |
| Qualified XII (1.30) | 1,428.392 | 60.98 | 87,103 |
| Qualified XII (1.35) | 196.117 | 60.63 | 11,891 |
| Qualified XII (1.40) | 4,429.538 | 60.29 | 267,057 |
| Qualified XII (1.45) | 483.372 | 59.95 | 28,978 |
| Qualified XII (1.50) | 174.086 | 59.61 | 10,377 |
| Qualified XIII | 1,344.049 | 63.46 | 85,293 |
| Qualified XV | 4,578.991 | 63.46 | 290,583 |
| Qualified XVI | 20,312.731 | 59.61 | 1,210,842 |
| Qualified XVII | 3,456.722 | 61.33 | 212,001 |
| Qualified XXI | 34,087.976 | 64.55 | 2,200,379 |
| Qualified XXVII | 1,266,546.297 | 41.60 | 52,688,326 |
| Qualified XXXIV | 26,455.104 | 9.42 | 249,207 |
| Qualified XXXVIII | 35,113.009 | 9.68 | 339,894 |
| Qualified XLIII | 9,398.413 | 9.44 | 88,721 |
| Qualified LIV | 65,629.191 | 21.99 | 1,443,186 |
| Qualified LVI | 53,385.942 | 22.61 | 1,207,056 |
| | <u>4,736,525.598</u> | | <u>\$ 259,503,553</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---|-------------------|-------------------|-----------------------|
| Oppenheimer Gold & Special Minerals Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP13 | 126.532 | \$ 12.89 | \$ 1,631 |
| ING MAP PLUS NP14 | 331.322 | 12.88 | 4,267 |
| ING MAP PLUS NP21 | 84.925 | 12.79 | 1,086 |
| | <u>542.779</u> | | <u>\$ 6,984</u> |
| Oppenheimer International Bond Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP13 | 31.800 | \$ 10.65 | \$ 339 |
| ING MAP PLUS NP14 | 7,928.888 | 10.64 | 84,363 |
| ING MAP PLUS NP17 | 61.066 | 10.61 | 648 |
| ING MAP PLUS NP18 | 105.629 | 10.60 | 1,120 |
| ING MAP PLUS NP20 | 463.460 | 10.58 | 4,903 |
| ING MAP PLUS NP21 | 3,339.317 | 10.57 | 35,297 |
| ING MAP PLUS NP26 | 621.325 | 10.52 | 6,536 |
| ING MAP PLUS NP28 | 28.298 | 10.50 | 297 |
| | <u>12,579.783</u> | | <u>\$ 133,503</u> |
| Oppenheimer Global Securities/VA | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP11 | 80.257 | \$ 13.67 | \$ 1,097 |
| ING MAP PLUS NP29 | 0.039 | 12.73 | - |
| Qualified VI | 3,922.205 | 21.05 | 82,562 |
| Qualified X (1.15) | 25.333 | 21.34 | 541 |
| Qualified XII (0.40) | 44.365 | 23.58 | 1,046 |
| Qualified XII (0.50) | 65.767 | 23.33 | 1,534 |
| Qualified XII (0.60) | 0.326 | 22.95 | 7 |
| Qualified XII (0.70) | 3,169.171 | 22.64 | 71,750 |
| Qualified XII (0.80) | 110.549 | 22.39 | 2,475 |
| Qualified XII (0.85) | 257.670 | 22.24 | 5,731 |
| Qualified XII (0.95) | 180.923 | 21.94 | 3,969 |
| Qualified XII (1.00) | 1,065.967 | 21.79 | 23,227 |
| Qualified XII (1.10) | 126.910 | 21.49 | 2,727 |
| Qualified XII (1.15) | 348.582 | 21.34 | 7,439 |
| Qualified XII (1.20) | 19.643 | 21.20 | 416 |
| Qualified XII (1.25) | 87.189 | 21.05 | 1,835 |
| Qualified XII (1.40) | 0.028 | 20.63 | 1 |
| Qualified XII (1.50) | 12.654 | 20.35 | 258 |
| | <u>9,517.578</u> | | <u>\$ 206,615</u> |
| Oppenheimer Global Strategic Income Fund/VA | | | |
| Contracts in accumulation period: | | | |
| Qualified VI | 1,457.528 | \$ 18.36 | \$ 26,760 |
| Qualified XII (0.60) | 0.214 | 20.08 | 4 |
| Qualified XII (0.65) | 0.303 | 19.94 | 6 |
| Qualified XII (0.70) | 3,613.355 | 19.80 | 71,544 |
| Qualified XII (1.00) | 380.213 | 19.00 | 7,224 |
| | <u>5,451.613</u> | | <u>\$ 105,538</u> |
| Oppenheimer Main Street Fund®/VA | | | |
| Contracts in accumulation period | 7,542.449 | \$8.52 to \$9.69 | \$ 65,194 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|--------------------|-------------------|-----------------------|
| Oppenheimer Main Street Small- & Mid-Cap Fund®/VA | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 655.322 | \$ 12.72 | \$ 8,336 |
| ING Custom Choice 65 | 127.744 | 13.51 | 1,726 |
| Qualified VI | 215,726.123 | 12.72 | 2,744,036 |
| Qualified X (1.15) | 10,556.737 | 14.60 | 154,128 |
| Qualified X (1.25) | 14,854.321 | 14.49 | 215,239 |
| Qualified XII (0.20) | 2,739.269 | 13.64 | 37,364 |
| Qualified XII (0.25) | 307.786 | 13.60 | 4,186 |
| Qualified XII (0.30) | 3,246.942 | 13.55 | 43,996 |
| Qualified XII (0.40) | 7,214.918 | 13.46 | 97,113 |
| Qualified XII (0.50) | 31,593.666 | 13.37 | 422,407 |
| Qualified XII (0.55) | 49,129.134 | 13.33 | 654,891 |
| Qualified XII (0.60) | 1,738.083 | 13.28 | 23,082 |
| Qualified XII (0.65) | 22,679.588 | 13.24 | 300,278 |
| Qualified XII (0.70) | 10,228.763 | 13.19 | 134,917 |
| Qualified XII (0.75) | 26,612.983 | 13.15 | 349,961 |
| Qualified XII (0.80) | 8,063.527 | 13.11 | 105,713 |
| Qualified XII (0.85) | 53,134.352 | 13.06 | 693,935 |
| Qualified XII (0.90) | 3,593.879 | 13.02 | 46,792 |
| Qualified XII (0.95) | 51,093.215 | 12.98 | 663,190 |
| Qualified XII (1.00) | 110,928.599 | 12.93 | 1,434,307 |
| Qualified XII (1.05) | 3,653.611 | 12.89 | 47,095 |
| Qualified XII (1.10) | 9,133.201 | 12.85 | 117,362 |
| Qualified XII (1.15) | 3,618.273 | 12.80 | 46,314 |
| Qualified XII (1.20) | 2,454.292 | 12.76 | 31,317 |
| Qualified XII (1.25) | 18,227.916 | 12.72 | 231,859 |
| Qualified XII (1.30) | 660.838 | 12.68 | 8,379 |
| Qualified XII (1.40) | 978.224 | 12.59 | 12,316 |
| Qualified XII (1.45) | 236.041 | 12.55 | 2,962 |
| Qualified XII (1.50) | 136.297 | 12.51 | 1,705 |
| Qualified XIII | 23.267 | 12.98 | 302 |
| Qualified XV | 5,393.705 | 12.98 | 70,010 |
| Qualified XVI | 6,542.504 | 12.51 | 81,847 |
| Qualified XVIII | 2,085.159 | 14.76 | 30,777 |
| Qualified XXXII | 877.947 | 14.49 | 12,721 |
| Qualified XXXIV | 2,473.112 | 9.46 | 23,396 |
| Qualified XXXVIII | 6,523.660 | 9.72 | 63,410 |
| Qualified XLIII | 1,304.720 | 9.48 | 12,369 |
| Qualified LIV | 15,390.339 | 13.26 | 204,076 |
| Qualified LVI | 7,320.227 | 13.63 | 99,775 |
| | <u>711,258.284</u> | | <u>\$ 9,233,589</u> |
| Oppenheimer Small- & Mid-Cap Growth Fund/VA | | | |
| Contracts in accumulation period | | | |
| | 2,362.218 | \$4.51 to \$9.06 | \$ 11,098 |
| Parnassus Equity Income Fund - Investor Shares | | | |
| Contracts in accumulation period: | | | |
| Qualified XII (1.25) | 2,996.525 | \$ 14.03 | \$ 42,041 |

**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> |
|--|---------------|-------------------|-----------------------|
| Pax World Balanced Fund - Individual Investor Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 7,378.672 | \$ 12.20 | \$ 90,020 |
| ING Custom Choice 65 | 986.099 | 11.88 | 11,715 |
| ING MAP PLUS NP1 | 11,492.407 | 12.98 | 149,171 |
| ING MAP PLUS NP8 | 5,740.452 | 12.63 | 72,502 |
| ING MAP PLUS NP11 | 16,607.567 | 12.48 | 207,262 |
| ING MAP PLUS NP12 | 15,089.548 | 12.43 | 187,563 |
| ING MAP PLUS NP14 | 14,275.098 | 12.33 | 176,012 |
| ING MAP PLUS NP15 | 1,391.282 | 12.29 | 17,099 |
| ING MAP PLUS NP16 | 8,427.507 | 12.24 | 103,153 |
| ING MAP PLUS NP17 | 3,631.700 | 12.19 | 44,270 |
| ING MAP PLUS NP18 | 541.034 | 12.14 | 6,568 |
| ING MAP PLUS NP19 | 124.483 | 12.09 | 1,505 |
| ING MAP PLUS NP21 | 3.445 | 12.00 | 41 |
| ING MAP PLUS NP22 | 3,335.050 | 11.95 | 39,854 |
| ING MAP PLUS NP23 | 1,416.918 | 11.90 | 16,861 |
| ING MAP PLUS NP25 | 2,554.597 | 11.81 | 30,170 |
| ING MAP PLUS NP26 | 1,097.096 | 11.76 | 12,902 |
| ING MAP PLUS NP28 | 167.102 | 11.67 | 1,950 |
| ING MAP PLUS NP29 | 66.664 | 11.62 | 775 |
| Qualified VI | 759,419.940 | 11.41 | 8,664,982 |
| Qualified XII (0.00) | 764.299 | 13.16 | 10,058 |
| Qualified XII (0.20) | 9,119.005 | 12.86 | 117,270 |
| Qualified XII (0.30) | 1,909.258 | 12.72 | 24,286 |
| Qualified XII (0.40) | 60,979.413 | 12.57 | 766,511 |
| Qualified XII (0.50) | 174,372.669 | 12.43 | 2,167,452 |
| Qualified XII (0.55) | 89,389.639 | 12.36 | 1,104,856 |
| Qualified XII (0.60) | 3,571.938 | 12.29 | 43,899 |
| Qualified XII (0.65) | 25,584.461 | 12.22 | 312,642 |
| Qualified XII (0.70) | 40,604.319 | 12.15 | 493,342 |
| Qualified XII (0.75) | 118,828.598 | 12.08 | 1,435,449 |
| Qualified XII (0.80) | 22,567.673 | 12.01 | 271,038 |
| Qualified XII (0.85) | 195,165.067 | 11.94 | 2,330,271 |
| Qualified XII (0.90) | 16,003.917 | 11.88 | 190,127 |
| Qualified XII (0.95) | 245,227.726 | 11.81 | 2,896,139 |
| Qualified XII (1.00) | 1,042,875.692 | 11.74 | 12,243,361 |
| Qualified XII (1.05) | 13,969.798 | 11.67 | 163,028 |
| Qualified XII (1.10) | 20,374.745 | 11.61 | 236,551 |
| Qualified XII (1.15) | 28,288.537 | 11.54 | 326,450 |
| Qualified XII (1.20) | 5,743.953 | 11.48 | 65,941 |
| Qualified XII (1.25) | 64,249.989 | 11.41 | 733,092 |
| Qualified XII (1.30) | 3,222.654 | 11.35 | 36,577 |
| Qualified XII (1.40) | 14,330.582 | 11.22 | 160,789 |
| Qualified XII (1.50) | 341.774 | 11.09 | 3,790 |
| Qualified XVI | 33,492.794 | 11.09 | 371,435 |
| Qualified XVII | 888.243 | 11.41 | 10,135 |
| Qualified XXI | 11,636.261 | 12.01 | 139,751 |
| Qualified XXVII | 912,396.234 | 11.77 | 10,738,904 |

**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 - Individual Investor Class | | | |
| (continued) | | | |
| Qualified XXXIV | 7,503.672 | \$ 8.96 | \$ 67,233 |
| Qualified XXXVIII | 6,755.698 | 9.21 | 62,220 |
| Qualified XLIII | 455.038 | 8.98 | 4,086 |
| Qualified LIV | 4,822.981 | 11.66 | 56,236 |
| Qualified LVI | 5,826.909 | 11.98 | 69,806 |
| | <u>4,035,010.197</u> | | <u>\$ 47,487,100</u> |
| PIMCO Real Return Portfolio - Administrative Class | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 4,910.765 | \$ 14.64 | \$ 71,894 |
| ING Custom Choice 65 | 1,798.936 | 14.61 | 26,282 |
| ING MAP PLUS NP6 | 12,825.141 | 14.77 | 189,427 |
| ING MAP PLUS NP8 | 283.114 | 14.69 | 4,159 |
| ING MAP PLUS NP9 | 18,825.008 | 14.64 | 275,598 |
| ING MAP PLUS NP10 | 141.373 | 14.60 | 2,064 |
| ING MAP PLUS NP11 | 13,049.723 | 14.56 | 190,004 |
| ING MAP PLUS NP13 | 752.809 | 14.48 | 10,901 |
| ING MAP PLUS NP14 | 34,872.518 | 14.44 | 503,559 |
| ING MAP PLUS NP15 | 7,083.788 | 14.40 | 102,007 |
| ING MAP PLUS NP16 | 262.274 | 14.36 | 3,766 |
| ING MAP PLUS NP17 | 11,316.612 | 14.32 | 162,054 |
| ING MAP PLUS NP18 | 8,182.563 | 14.27 | 116,765 |
| ING MAP PLUS NP19 | 5,412.992 | 14.23 | 77,027 |
| ING MAP PLUS NP22 | 5,153.641 | 14.11 | 72,718 |
| ING MAP PLUS NP24 | 1,046.416 | 14.03 | 14,681 |
| ING MAP PLUS NP26 | 4,822.676 | 13.95 | 67,276 |
| ING MAP PLUS NP28 | 2,813.543 | 13.88 | 39,052 |
| Qualified V | 2,030.338 | 14.75 | 29,947 |
| Qualified VI | 1,723,166.989 | 14.93 | 25,726,883 |
| Qualified X (1.15) | 46,046.878 | 14.55 | 669,982 |
| Qualified X (1.25) | 147,254.527 | 14.45 | 2,127,828 |
| Qualified XII (0.00) | 39,096.091 | 16.43 | 642,349 |
| Qualified XII (0.05) | 265,699.530 | 16.40 | 4,357,472 |
| Qualified XII (0.20) | 36,423.013 | 16.18 | 589,324 |
| Qualified XII (0.25) | 817.004 | 16.12 | 13,170 |
| Qualified XII (0.30) | 14,980.288 | 16.06 | 240,583 |
| Qualified XII (0.35) | 1,117.803 | 16.00 | 17,885 |
| Qualified XII (0.40) | 539,130.982 | 15.93 | 8,588,357 |
| Qualified XII (0.50) | 1,671,696.277 | 15.81 | 26,429,518 |
| Qualified XII (0.55) | 174,742.446 | 15.75 | 2,752,194 |
| Qualified XII (0.60) | 44,197.848 | 15.69 | 693,464 |
| Qualified XII (0.65) | 106,192.960 | 15.63 | 1,659,796 |
| Qualified XII (0.70) | 138,384.995 | 15.57 | 2,154,654 |
| Qualified XII (0.75) | 1,010,347.466 | 15.51 | 15,670,489 |
| Qualified XII (0.80) | 195,983.219 | 15.45 | 3,027,941 |
| Qualified XII (0.85) | 439,229.621 | 15.39 | 6,759,744 |
| Qualified XII (0.90) | 16,470.534 | 15.34 | 252,658 |
| Qualified XII (0.95) | 352,019.737 | 15.28 | 5,378,862 |
| Qualified XII (1.00) | 2,993,747.176 | 15.22 | 45,564,832 |

**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 XII (1.05) | 45,457.056 | \$ 15.16 | \$ 689,129 |
| Qualified XII (1.10) | 47,798.917 | 15.10 | 721,764 |
| Qualified XII (1.15) | 60,242.653 | 15.04 | 906,050 |
| Qualified XII (1.20) | 10,897.959 | 14.99 | 163,360 |
| Qualified XII (1.25) | 187,328.548 | 14.93 | 2,796,815 |
| Qualified XII (1.30) | 6,029.539 | 14.87 | 89,659 |
| Qualified XII (1.35) | 761.195 | 14.81 | 11,273 |
| Qualified XII (1.40) | 12,452.003 | 14.76 | 183,792 |
| Qualified XII (1.45) | 631.703 | 14.70 | 9,286 |
| Qualified XII (1.50) | 639.218 | 14.65 | 9,365 |
| Qualified XV | 5,794.045 | 15.28 | 88,533 |
| Qualified XVI | 47,964.637 | 14.65 | 702,682 |
| Qualified XVII | 1,534.555 | 15.05 | 23,095 |
| Qualified XVIII | 9,254.588 | 14.72 | 136,228 |
| Qualified XXI | 50,447.781 | 15.45 | 779,418 |
| Qualified XXVIII | 2,724,862.194 | 13.70 | 37,330,612 |
| Qualified XXXII | 403.447 | 14.45 | 5,830 |
| Qualified XXXIII (0.65) | 33,027.146 | 15.32 | 505,976 |
| Qualified XXXIV | 695.592 | 13.30 | 9,251 |
| Qualified XXXVIII | 33,360.814 | 13.66 | 455,709 |
| Qualified XLIII | 2,123.414 | 13.32 | 28,284 |
| Qualified LIV | 30,420.799 | 14.34 | 436,234 |
| Qualified LVI | 37,832.733 | 14.74 | 557,654 |
| | <u>13,442,290.150</u> | | <u>\$ 201,917,165</u> |
| Pioneer High Yield Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 120,879.608 | \$ 14.80 | \$ 1,789,018 |
| ING MAP PLUS NP4 | 24.766 | 14.62 | 362 |
| ING MAP PLUS NP6 | 13,314.631 | 14.51 | 193,195 |
| ING MAP PLUS NP8 | 39,498.469 | 14.39 | 568,383 |
| ING MAP PLUS NP9 | 26,893.666 | 14.33 | 385,386 |
| ING MAP PLUS NP11 | 8,890.846 | 14.22 | 126,428 |
| ING MAP PLUS NP12 | 561.910 | 14.17 | 7,962 |
| ING MAP PLUS NP13 | 4,945.330 | 14.11 | 69,779 |
| ING MAP PLUS NP14 | 32,953.678 | 14.05 | 462,999 |
| ING MAP PLUS NP15 | 9,681.326 | 14.00 | 135,539 |
| ING MAP PLUS NP16 | 2,776.245 | 13.94 | 38,701 |
| ING MAP PLUS NP17 | 3,358.254 | 13.89 | 46,646 |
| ING MAP PLUS NP18 | 91.468 | 13.83 | 1,265 |
| ING MAP PLUS NP19 | 11,475.404 | 13.78 | 158,131 |
| ING MAP PLUS NP20 | 697.343 | 13.72 | 9,568 |
| ING MAP PLUS NP21 | 5,471.059 | 13.67 | 74,789 |
| ING MAP PLUS NP23 | 4,819.278 | 13.56 | 65,349 |
| ING MAP PLUS NP24 | 3,456.275 | 13.51 | 46,694 |
| ING MAP PLUS NP25 | 10,911.582 | 13.46 | 146,870 |
| ING MAP PLUS NP26 | 610.937 | 13.40 | 8,187 |
| ING MAP PLUS NP28 | 1,111.118 | 13.30 | 14,778 |
| ING MAP PLUS NP32 | 680.969 | 13.09 | 8,914 |
| | <u>303,104.162</u> | | <u>\$ 4,358,943</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---|-------------------|-------------------|-----------------------|
| Pioneer Strategic Income Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 7,152.129 | \$ 11.16 | \$ 79,818 |
| ING MAP PLUS NP4 | 9,244.201 | 11.13 | 102,888 |
| ING MAP PLUS NP6 | 5,901.441 | 11.11 | 65,565 |
| ING MAP PLUS NP18 | 16.190 | 10.98 | 178 |
| | <u>22,313.961</u> | | <u>\$ 248,449</u> |
| Pioneer Emerging Markets VCT Portfolio - Class I | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 1,573.157 | \$ 7.85 | \$ 12,349 |
| ING Custom Choice 65 | 5,163.962 | 8.16 | 42,138 |
| ING MAP PLUS NP8 | 88.865 | 8.06 | 716 |
| ING MAP PLUS NP11 | 5,445.806 | 8.00 | 43,566 |
| ING MAP PLUS NP15 | 170.146 | 7.93 | 1,349 |
| ING MAP PLUS NP16 | 1,820.554 | 7.91 | 14,401 |
| ING MAP PLUS NP17 | 426.259 | 7.89 | 3,363 |
| ING MAP PLUS NP18 | 1,229.698 | 7.87 | 9,678 |
| ING MAP PLUS NP19 | 5,681.223 | 7.86 | 44,654 |
| ING MAP PLUS NP23 | 220.608 | 7.78 | 1,716 |
| ING MAP PLUS NP24 | 151.351 | 7.76 | 1,174 |
| ING MAP PLUS NP26 | 730.349 | 7.73 | 5,646 |
| Qualified V | 8.642 | 7.79 | 67 |
| Qualified VI | 519,890.917 | 7.85 | 4,081,144 |
| Qualified XII (0.00) | 1,006.333 | 8.32 | 8,373 |
| Qualified XII (0.05) | 66,518.138 | 8.32 | 553,431 |
| Qualified XII (0.20) | 18,121.528 | 8.24 | 149,321 |
| Qualified XII (0.25) | 18,278.114 | 8.22 | 150,246 |
| Qualified XII (0.30) | 17,463.641 | 8.20 | 143,202 |
| Qualified XII (0.40) | 22,900.900 | 8.16 | 186,871 |
| Qualified XII (0.50) | 178,504.220 | 8.13 | 1,451,239 |
| Qualified XII (0.55) | 7,616.651 | 8.11 | 61,771 |
| Qualified XII (0.60) | 5,448.661 | 8.09 | 44,080 |
| Qualified XII (0.65) | 8,482.347 | 8.07 | 68,453 |
| Qualified XII (0.70) | 21,190.600 | 8.05 | 170,584 |
| Qualified XII (0.75) | 315,423.833 | 8.03 | 2,532,853 |
| Qualified XII (0.80) | 177,213.247 | 8.01 | 1,419,478 |
| Qualified XII (0.85) | 171,313.476 | 7.99 | 1,368,795 |
| Qualified XII (0.90) | 2,430.946 | 7.98 | 19,399 |
| Qualified XII (0.95) | 132,933.585 | 7.96 | 1,058,151 |
| Qualified XII (1.00) | 339,870.744 | 7.94 | 2,698,574 |
| Qualified XII (1.05) | 10,931.760 | 7.92 | 86,580 |
| Qualified XII (1.10) | 13,835.778 | 7.90 | 109,303 |
| Qualified XII (1.15) | 13,253.477 | 7.88 | 104,437 |
| Qualified XII (1.20) | 6,268.223 | 7.86 | 49,268 |
| Qualified XII (1.25) | 48,364.899 | 7.85 | 379,664 |
| Qualified XII (1.30) | 214.057 | 7.83 | 1,676 |
| Qualified XII (1.35) | 40.300 | 7.81 | 315 |
| Qualified XII (1.40) | 4,396.264 | 7.79 | 34,247 |
| Qualified XII (1.45) | 750.786 | 7.77 | 5,834 |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---|----------------------|-------------------|-----------------------|
| Pioneer Emerging Markets VCT Portfolio - Class I | | | |
| (continued) | | | |
| Qualified XII (1.50) | 119.537 | \$ 7.76 | \$ 928 |
| Qualified XV | 1,555.950 | 7.96 | 12,385 |
| Qualified XVI | 20,631.802 | 7.76 | 160,103 |
| Qualified XVII | 1,112.432 | 7.85 | 8,733 |
| Qualified XXXIV | 3,510.185 | 6.23 | 21,868 |
| Qualified XXXVIII | 4,150.162 | 6.40 | 26,561 |
| Qualified XLIII | 2,357.779 | 6.24 | 14,713 |
| Qualified LIV | 9,388.285 | 8.01 | 75,200 |
| Qualified LVI | 28,334.345 | 8.23 | 233,192 |
| | <u>2,216,534.522</u> | | <u>\$ 17,671,789</u> |
| Pioneer High Yield VCT Portfolio - Class I | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 146.655 | \$ 14.19 | \$ 2,081 |
| ING Custom Choice 65 | 217.096 | 14.17 | 3,076 |
| Qualified V | 173.957 | 13.57 | 2,361 |
| Qualified VI | 373,128.838 | 13.74 | 5,126,790 |
| Qualified X (1.15) | 16,365.900 | 13.91 | 227,650 |
| Qualified X (1.25) | 28,047.270 | 13.81 | 387,333 |
| Qualified XII (0.20) | 40,882.895 | 14.89 | 608,746 |
| Qualified XII (0.25) | 1,682.900 | 14.83 | 24,957 |
| Qualified XII (0.30) | 5,673.630 | 14.77 | 83,800 |
| Qualified XII (0.35) | 219.520 | 14.72 | 3,231 |
| Qualified XII (0.40) | 36,573.121 | 14.66 | 536,162 |
| Qualified XII (0.50) | 6,688.667 | 14.55 | 97,320 |
| Qualified XII (0.55) | 30,388.473 | 14.49 | 440,329 |
| Qualified XII (0.60) | 30,478.922 | 14.44 | 440,116 |
| Qualified XII (0.65) | 18,550.870 | 14.38 | 266,762 |
| Qualified XII (0.70) | 44,950.703 | 14.33 | 644,144 |
| Qualified XII (0.75) | 37,999.021 | 14.27 | 542,246 |
| Qualified XII (0.80) | 18,006.716 | 14.22 | 256,056 |
| Qualified XII (0.85) | 68,300.388 | 14.16 | 967,133 |
| Qualified XII (0.90) | 2,758.493 | 14.11 | 38,922 |
| Qualified XII (0.95) | 80,694.269 | 14.06 | 1,134,561 |
| Qualified XII (1.00) | 688,529.254 | 14.00 | 9,639,410 |
| Qualified XII (1.05) | 7,550.044 | 13.95 | 105,323 |
| Qualified XII (1.10) | 8,518.787 | 13.89 | 118,326 |
| Qualified XII (1.15) | 11,298.359 | 13.84 | 156,369 |
| Qualified XII (1.20) | 2,817.338 | 13.79 | 38,851 |
| Qualified XII (1.25) | 47,462.552 | 13.74 | 652,135 |
| Qualified XII (1.30) | 876.914 | 13.68 | 11,996 |
| Qualified XII (1.40) | 3,933.043 | 13.58 | 53,411 |
| Qualified XII (1.45) | 137.669 | 13.53 | 1,863 |
| Qualified XII (1.50) | 509.347 | 13.47 | 6,861 |
| Qualified XV | 1,195.111 | 14.06 | 16,803 |
| Qualified XVI | 27,323.880 | 13.47 | 368,053 |
| Qualified XVIII | 892.448 | 14.07 | 12,557 |
| Qualified XXXII | 141.836 | 13.81 | 1,959 |
| Qualified XXXIV | 5,425.541 | 11.51 | 62,448 |

**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 (continued) | | | |
| Qualified XXXVIII | 6,613.509 | \$ 11.83 | \$ 78,238 |
| Qualified XLIII | 460.474 | 11.53 | 5,309 |
| Qualified LIV | 4,853.124 | 13.91 | 67,507 |
| Qualified LVI | 12,894.135 | 14.30 | 184,386 |
| | <u>1,673,361.669</u> | | <u>\$ 23,415,581</u> |
| Pioneer Mid Cap Value VCT Portfolio - Class I | | | |
| Contracts in accumulation period: | | | |
| Qualified XII (0.75) | 7.274 | \$ 16.48 | \$ 120 |
| Columbia Diversified Equity Income Fund - Class R-3 | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP4 | 3,284.908 | \$ 8.60 | \$ 28,250 |
| ING MAP PLUS NP17 | 4,745.350 | 8.40 | 39,861 |
| | <u>8,030.258</u> | | <u>\$ 68,111</u> |
| Columbia Diversified Equity Income Fund - Class R-4 | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 26.471 | \$ 8.35 | \$ 221 |
| Qualified VI | 168,126.783 | 8.35 | 1,403,859 |
| Qualified XII (0.00) | 5,950.227 | 8.74 | 52,005 |
| Qualified XII (0.20) | 47,540.811 | 8.68 | 412,654 |
| Qualified XII (0.30) | 6,732.186 | 8.65 | 58,233 |
| Qualified XII (0.40) | 72,667.421 | 8.62 | 626,393 |
| Qualified XII (0.50) | 6,788.340 | 8.59 | 58,312 |
| Qualified XII (0.55) | 1,107.490 | 8.57 | 9,491 |
| Qualified XII (0.60) | 52.002 | 8.55 | 445 |
| Qualified XII (0.65) | 29,084.196 | 8.54 | 248,379 |
| Qualified XII (0.70) | 9,477.337 | 8.52 | 80,747 |
| Qualified XII (0.75) | 32,254.475 | 8.51 | 274,486 |
| Qualified XII (0.80) | 18,840.165 | 8.49 | 159,953 |
| Qualified XII (0.85) | 51,264.779 | 8.48 | 434,725 |
| Qualified XII (0.95) | 33,156.967 | 8.45 | 280,176 |
| Qualified XII (1.00) | 79,645.740 | 8.43 | 671,414 |
| Qualified XII (1.05) | 755.103 | 8.42 | 6,358 |
| Qualified XII (1.10) | 6,051.056 | 8.40 | 50,829 |
| Qualified XII (1.15) | 4,208.094 | 8.38 | 35,264 |
| Qualified XII (1.20) | 1,829.861 | 8.37 | 15,316 |
| Qualified XII (1.25) | 13,463.278 | 8.35 | 112,418 |
| Qualified XII (1.30) | 370.333 | 8.34 | 3,089 |
| Qualified XII (1.35) | 1,254.216 | 8.32 | 10,435 |
| Qualified XIII | 730.466 | 8.45 | 6,172 |
| Qualified XVI | 1,906.395 | 8.28 | 15,785 |
| Qualified XXI | 57,929.949 | 8.49 | 491,825 |
| Qualified XXXIV | 930.746 | 8.51 | 7,921 |
| Qualified XXXVIII | 4,409.582 | 8.74 | 38,540 |
| Qualified LIV | 26,151.047 | 8.49 | 222,022 |
| Qualified LVI | 8,754.752 | 8.66 | 75,816 |
| | <u>691,460.268</u> | | <u>\$ 5,863,283</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> |
|--|--------------------|-------------------|-----------------------|
| Royce Total Return Fund - Class K | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP25 | 3.191 | \$ 12.31 | \$ 39 |
| SMALLCAP World Fund® - Class R-4 | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 192.487 | \$ 8.63 | \$ 1,661 |
| ING Custom Choice 65 | 2,684.597 | 8.90 | 23,893 |
| Qualified VI | 273,302.380 | 8.63 | 2,358,600 |
| Qualified XII (0.20) | 7,105.380 | 8.97 | 63,735 |
| Qualified XII (0.25) | 3,293.581 | 8.95 | 29,478 |
| Qualified XII (0.30) | 10,062.155 | 8.94 | 89,956 |
| Qualified XII (0.35) | 269.034 | 8.92 | 2,400 |
| Qualified XII (0.40) | 97,154.222 | 8.90 | 864,673 |
| Qualified XII (0.50) | 10,148.209 | 8.87 | 90,015 |
| Qualified XII (0.55) | 8,291.301 | 8.85 | 73,378 |
| Qualified XII (0.60) | 19,215.455 | 8.84 | 169,865 |
| Qualified XII (0.65) | 807.150 | 8.82 | 7,119 |
| Qualified XII (0.70) | 12,153.006 | 8.81 | 107,068 |
| Qualified XII (0.75) | 31,236.118 | 8.79 | 274,565 |
| Qualified XII (0.80) | 25,975.474 | 8.77 | 227,805 |
| Qualified XII (0.85) | 40,920.559 | 8.76 | 358,464 |
| Qualified XII (0.90) | 583.997 | 8.74 | 5,104 |
| Qualified XII (0.95) | 34,596.260 | 8.73 | 302,025 |
| Qualified XII (1.00) | 125,206.573 | 8.71 | 1,090,549 |
| Qualified XII (1.05) | 1,385.870 | 8.69 | 12,043 |
| Qualified XII (1.10) | 13,379.026 | 8.68 | 116,130 |
| Qualified XII (1.15) | 1,854.931 | 8.66 | 16,064 |
| Qualified XII (1.20) | 1,857.772 | 8.65 | 16,070 |
| Qualified XII (1.25) | 26,222.307 | 8.63 | 226,299 |
| Qualified XII (1.35) | 1,372.426 | 8.60 | 11,803 |
| Qualified XII (1.40) | 240.254 | 8.58 | 2,061 |
| Qualified XV | 957.767 | 8.73 | 8,361 |
| Qualified XVI | 4,229.246 | 8.55 | 36,160 |
| Qualified XXXIV | 968.151 | 8.79 | 8,510 |
| Qualified XXXVIII | 76.377 | 9.03 | 690 |
| Qualified LIV | 2,676.309 | 8.77 | 23,471 |
| Qualified LVI | 5,976.697 | 8.95 | 53,491 |
| | <u>764,395.071</u> | | <u>\$ 6,671,506</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---|-------------------|-------------------|-----------------------|
| T. Rowe Price Mid-Cap Value Fund - R Class | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP3 | 1,706.275 | \$ 15.55 | \$ 26,533 |
| ING MAP PLUS NP8 | 15,725.430 | 15.25 | 239,813 |
| ING MAP PLUS NP9 | 23.637 | 15.19 | 359 |
| ING MAP PLUS NP12 | 970.628 | 15.01 | 14,569 |
| ING MAP PLUS NP13 | 247.936 | 14.95 | 3,707 |
| ING MAP PLUS NP14 | 560.972 | 14.89 | 8,353 |
| ING MAP PLUS NP17 | 1,228.477 | 14.72 | 18,083 |
| ING MAP PLUS NP19 | 3,589.076 | 14.60 | 52,401 |
| ING MAP PLUS NP20 | 16,265.175 | 14.54 | 236,496 |
| ING MAP PLUS NP21 | 509.070 | 14.48 | 7,371 |
| ING MAP PLUS NP23 | 420.745 | 14.37 | 6,046 |
| ING MAP PLUS NP26 | 77.086 | 14.20 | 1,095 |
| ING MAP PLUS NP27 | 713.240 | 14.15 | 10,092 |
| | <u>42,037.747</u> | | <u>\$ 624,918</u> |
| T. Rowe Price Value Fund - Advisor Class | | | |
| Contracts in accumulation period: | | | |
| Qualified XII (1.00) | 16,901.264 | \$ 10.23 | \$ 172,900 |
| Templeton Foreign Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP4 | 85.116 | \$ 13.34 | \$ 1,135 |
| ING MAP PLUS NP8 | 218.089 | 13.13 | 2,864 |
| ING MAP PLUS NP9 | 47,070.638 | 13.08 | 615,684 |
| ING MAP PLUS NP11 | 11,655.787 | 12.98 | 151,292 |
| ING MAP PLUS NP12 | 1,302.940 | 12.93 | 16,847 |
| ING MAP PLUS NP13 | 2,100.186 | 12.87 | 27,029 |
| ING MAP PLUS NP14 | 3,768.805 | 12.82 | 48,316 |
| ING MAP PLUS NP15 | 47.139 | 12.77 | 602 |
| ING MAP PLUS NP17 | 3,417.785 | 12.67 | 43,303 |
| ING MAP PLUS NP20 | 8,169.415 | 12.52 | 102,281 |
| ING MAP PLUS NP21 | 1,708.833 | 12.47 | 21,309 |
| ING MAP PLUS NP23 | 3,038.773 | 12.38 | 37,620 |
| ING MAP PLUS NP26 | 1,095.395 | 12.23 | 13,397 |
| ING MAP PLUS NP30 | 462.745 | 12.04 | 5,571 |
| ING MAP PLUS NP32 | 100.116 | 11.94 | 1,195 |
| | <u>84,241.762</u> | | <u>\$ 1,088,445</u> |
| Templeton Global Bond Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 18,741.904 | \$ 18.31 | \$ 343,164 |
| ING Custom Choice 65 | 3,340.632 | 16.81 | 56,156 |
| Qualified V | 166.248 | 17.80 | 2,959 |
| Qualified VI | 2,668,795.520 | 18.02 | 48,091,695 |
| Qualified XII (0.00) | 9,630.485 | 30.30 | 291,804 |
| Qualified XII (0.05) | 13,108.525 | 29.81 | 390,765 |
| Qualified XII (0.10) | 6.958 | 29.99 | 209 |
| Qualified XII (0.20) | 26,118.198 | 29.67 | 774,927 |
| Qualified XII (0.25) | 1,930.169 | 29.52 | 56,979 |

**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 (continued) | | | |
| Qualified XII (0.30) | 29,491.732 | \$ 29.37 | \$ 866,172 |
| Qualified XII (0.35) | 1,234.037 | 29.21 | 36,046 |
| Qualified XII (0.40) | 195,876.894 | 29.06 | 5,692,183 |
| Qualified XII (0.50) | 1,084,121.959 | 28.76 | 31,179,348 |
| Qualified XII (0.55) | 64,915.861 | 28.61 | 1,857,243 |
| Qualified XII (0.60) | 48,192.463 | 28.46 | 1,371,557 |
| Qualified XII (0.65) | 71,777.837 | 28.31 | 2,032,031 |
| Qualified XII (0.70) | 93,201.086 | 28.16 | 2,624,543 |
| Qualified XII (0.75) | 891,260.607 | 28.02 | 24,973,122 |
| Qualified XII (0.80) | 144,177.126 | 27.87 | 4,018,217 |
| Qualified XII (0.85) | 708,558.602 | 18.58 | 13,165,019 |
| Qualified XII (0.90) | 8,695.381 | 27.58 | 239,819 |
| Qualified XII (0.95) SRA | 107.757 | 9.38 | 1,011 |
| Qualified XII (0.95) | 699,955.228 | 18.44 | 12,907,174 |
| Qualified XII (1.00) SRA | 4.323 | 9.38 | 41 |
| Qualified XII (1.00) | 2,540,196.648 | 18.37 | 46,663,412 |
| Qualified XII (1.05) | 44,895.985 | 18.30 | 821,597 |
| Qualified XII (1.10) | 44,115.521 | 18.23 | 804,226 |
| Qualified XII (1.15) | 67,553.360 | 18.16 | 1,226,769 |
| Qualified XII (1.20) | 17,776.430 | 18.09 | 321,576 |
| Qualified XII (1.25) SRA | 21.200 | 9.37 | 199 |
| Qualified XII (1.25) | 196,713.579 | 18.02 | 3,544,779 |
| Qualified XII (1.30) | 3,550.048 | 17.95 | 63,723 |
| Qualified XII (1.35) | 598.917 | 17.88 | 10,709 |
| Qualified XII (1.40) | 16,810.049 | 17.81 | 299,387 |
| Qualified XII (1.45) | 737.307 | 17.74 | 13,080 |
| Qualified XII (1.50) | 1,476.800 | 17.68 | 26,110 |
| Qualified XIII | 2,830.563 | 18.44 | 52,196 |
| Qualified XV | 7,585.768 | 18.44 | 139,882 |
| Qualified XVI | 67,558.709 | 17.68 | 1,194,438 |
| Qualified XVII | 2,834.858 | 18.16 | 51,481 |
| Qualified XXI | 18,542.716 | 18.65 | 345,822 |
| Qualified XXXIV | 8,073.281 | 13.51 | 109,070 |
| Qualified XXXVIII | 30,169.151 | 13.88 | 418,748 |
| Qualified XLIII | 2,639.641 | 13.54 | 35,741 |
| Qualified LIV | 91,378.476 | 16.50 | 1,507,745 |
| Qualified LVI | 45,337.218 | 16.96 | 768,919 |
| | <u>9,994,805.757</u> | | <u>\$ 209,391,793</u> |
| Thornburg International Value Fund - Class R4 | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP11 | 1,982.515 | \$ 10.31 | \$ 20,440 |
| ING MAP PLUS NP13 | 142.092 | 10.29 | 1,462 |
| ING MAP PLUS NP14 | 3,242.728 | 10.28 | 33,335 |
| | <u>5,367.335</u> | | <u>\$ 55,237</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|--|--------------------|-------------------|-----------------------|
| USAA Precious Metals and Minerals Fund - Adviser Shares | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 65 | 1,496.503 | \$ 8.78 | \$ 13,139 |
| Qualified VI | 137,568.345 | 8.73 | 1,200,972 |
| Qualified XII (0.30) | 11,642.580 | 8.79 | 102,338 |
| Qualified XII (0.40) | 36,297.408 | 8.78 | 318,691 |
| Qualified XII (0.50) | 7,515.733 | 8.78 | 65,988 |
| Qualified XII (0.55) | 3,208.095 | 8.77 | 28,135 |
| Qualified XII (0.60) | 999.216 | 8.77 | 8,763 |
| Qualified XII (0.65) | 1,448.137 | 8.77 | 12,700 |
| Qualified XII (0.70) | 1,735.623 | 8.76 | 15,204 |
| Qualified XII (0.75) | 48,108.954 | 8.76 | 421,434 |
| Qualified XII (0.80) | 9,058.537 | 8.76 | 79,353 |
| Qualified XII (0.85) | 34,967.231 | 8.76 | 306,313 |
| Qualified XII (0.90) | 459.639 | 8.75 | 4,022 |
| Qualified XII (0.95) | 43,048.840 | 8.75 | 376,677 |
| Qualified XII (1.00) | 110,536.881 | 8.75 | 967,198 |
| Qualified XII (1.05) | 1,259.856 | 8.74 | 11,011 |
| Qualified XII (1.10) | 5,804.363 | 8.74 | 50,730 |
| Qualified XII (1.15) | 1,517.301 | 8.74 | 13,261 |
| Qualified XII (1.20) | 46.610 | 8.74 | 407 |
| Qualified XII (1.25) | 10,508.935 | 8.73 | 91,743 |
| Qualified XVI | 925.489 | 8.72 | 8,070 |
| Qualified XXVII | 78,588.208 | 8.71 | 684,503 |
| Qualified XXXVIII | 63.059 | 8.80 | 555 |
| Qualified LIV | 818.826 | 8.76 | 7,173 |
| Qualified LVI | 3,975.529 | 8.79 | 34,945 |
| | <u>551,599.898</u> | | <u>\$ 4,823,325</u> |
| Diversified Value Portfolio | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP8 | 5,903.019 | \$ 13.23 | \$ 78,097 |
| ING MAP PLUS NP29 | 340.663 | 12.21 | 4,159 |
| | <u>6,243.682</u> | | <u>\$ 82,256</u> |
| Equity Income Portfolio | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP10 | 289.156 | \$ 14.00 | \$ 4,048 |
| ING MAP PLUS NP11 | 13,093.851 | 13.94 | 182,528 |
| ING MAP PLUS NP15 | 11,853.409 | 13.73 | 162,747 |
| ING MAP PLUS NP29 | 152.174 | 13.01 | 1,980 |
| | <u>25,388.590</u> | | <u>\$ 351,303</u> |
| Small Company Growth Portfolio | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP8 | 653.274 | \$ 14.34 | \$ 9,368 |
| ING MAP PLUS NP9 | 0.519 | 14.29 | 7 |
| ING MAP PLUS NP10 | 3,372.815 | 14.24 | 48,029 |
| ING MAP PLUS NP11 | 2,019.061 | 14.18 | 28,630 |
| ING MAP PLUS NP15 | 342.295 | 13.96 | 4,778 |
| ING MAP PLUS NP29 | 107.228 | 13.23 | 1,419 |
| | <u>6,495.192</u> | | <u>\$ 92,231</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| Division/Contract | Units | Unit Value | Extended Value |
|---|--------------|-------------------|-----------------------|
| Victory Small Company Opportunity Fund - Class R | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP13 | 109.583 | \$ 12.65 | \$ 1,386 |
| Wanger International | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 1,471.696 | \$ 8.66 | \$ 12,745 |
| ING Custom Choice 65 | 2,906.472 | 9.01 | 26,187 |
| ING MAP PLUS NP6 | 3,328.357 | 8.99 | 29,922 |
| ING MAP PLUS NP8 | 14,509.544 | 8.95 | 129,860 |
| ING MAP PLUS NP11 | 142.386 | 8.89 | 1,266 |
| ING MAP PLUS NP12 | 322.018 | 8.87 | 2,856 |
| ING MAP PLUS NP13 | 3,521.708 | 8.85 | 31,167 |
| ING MAP PLUS NP17 | 4,228.559 | 8.76 | 37,042 |
| ING MAP PLUS NP18 | 2,679.243 | 8.74 | 23,417 |
| ING MAP PLUS NP19 | 2,081.502 | 8.72 | 18,151 |
| ING MAP PLUS NP21 | 3,332.767 | 8.68 | 28,928 |
| ING MAP PLUS NP22 | 214.434 | 8.66 | 1,857 |
| ING MAP PLUS NP26 | 1,978.845 | 8.58 | 16,978 |
| Qualified VI | 476,158.300 | 8.66 | 4,123,531 |
| Qualified XII (0.00) | 123.686 | 9.18 | 1,135 |
| Qualified XII (0.05) | 39,398.345 | 9.18 | 361,677 |
| Qualified XII (0.10) | 94.969 | 9.14 | 868 |
| Qualified XII (0.20) | 5,069.066 | 9.10 | 46,129 |
| Qualified XII (0.25) | 5,512.634 | 9.08 | 50,055 |
| Qualified XII (0.30) | 11,487.572 | 9.05 | 103,963 |
| Qualified XII (0.40) | 49,998.093 | 9.01 | 450,483 |
| Qualified XII (0.50) | 786,692.815 | 8.97 | 7,056,635 |
| Qualified XII (0.55) | 7,147.486 | 8.95 | 63,970 |
| Qualified XII (0.60) | 823.654 | 8.93 | 7,355 |
| Qualified XII (0.65) | 8,550.822 | 8.91 | 76,188 |
| Qualified XII (0.70) | 13,933.956 | 8.89 | 123,873 |
| Qualified XII (0.75) | 301,786.885 | 8.87 | 2,676,850 |
| Qualified XII (0.80) | 53,068.941 | 8.85 | 469,660 |
| Qualified XII (0.85) | 259,694.439 | 8.83 | 2,293,102 |
| Qualified XII (0.90) | 2,447.459 | 8.80 | 21,538 |
| Qualified XII (0.95) | 96,495.469 | 8.78 | 847,230 |
| Qualified XII (1.00) | 458,604.489 | 8.76 | 4,017,375 |
| Qualified XII (1.05) | 11,162.629 | 8.74 | 97,561 |
| Qualified XII (1.10) | 7,931.533 | 8.72 | 69,163 |
| Qualified XII (1.15) | 25,330.339 | 8.70 | 220,374 |
| Qualified XII (1.20) | 3,172.457 | 8.68 | 27,537 |
| Qualified XII (1.25) | 44,886.390 | 8.66 | 388,716 |
| Qualified XII (1.30) | 40.279 | 8.64 | 348 |
| Qualified XII (1.35) | 1,173.382 | 8.62 | 10,115 |
| Qualified XII (1.40) | 3,731.066 | 8.60 | 32,087 |
| Qualified XII (1.50) | 170.139 | 8.56 | 1,456 |
| Qualified XV | 2,283.074 | 8.78 | 20,045 |
| Qualified XVI | 9,367.716 | 8.56 | 80,188 |

**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 XVII | 895.194 | \$ 8.66 | \$ 7,752 |
| Qualified XXI | 15,138.392 | 8.85 | 133,975 |
| Qualified XXXIV | 241.543 | 7.96 | 1,923 |
| Qualified XXXVIII | 1,969.944 | 8.18 | 16,114 |
| Qualified XLIII | 113.893 | 7.98 | 909 |
| Qualified LIV | 35,324.060 | 8.85 | 312,618 |
| Qualified LVI | 6,153.314 | 9.09 | 55,934 |
| | <u>2,786,891.955</u> | | <u>\$ 24,628,808</u> |
| Wanger Select | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 4,470.064 | \$ 13.75 | \$ 61,463 |
| ING Custom Choice 65 | 4,296.690 | 13.66 | 58,693 |
| ING MAP PLUS NP15 | 8,416.226 | 10.93 | 91,989 |
| ING MAP PLUS NP19 | 245.321 | 10.89 | 2,672 |
| ING MAP PLUS NP32 | 33.536 | 10.76 | 361 |
| Qualified V | 20.235 | 13.17 | 266 |
| Qualified VI | 1,151,326.476 | 13.34 | 15,358,695 |
| Qualified X (1.15) | 30,306.611 | 13.95 | 422,777 |
| Qualified X (1.25) | 54,084.170 | 13.85 | 749,066 |
| Qualified XII (0.00) | 535.968 | 14.68 | 7,868 |
| Qualified XII (0.05) | 206,603.253 | 14.65 | 3,026,738 |
| Qualified XII (0.10) | 22.491 | 14.57 | 328 |
| Qualified XII (0.20) | 125,289.288 | 14.46 | 1,811,683 |
| Qualified XII (0.25) | 303.037 | 14.40 | 4,364 |
| Qualified XII (0.30) | 12,201.184 | 14.34 | 174,965 |
| Qualified XII (0.35) | 1,666.056 | 14.29 | 23,808 |
| Qualified XII (0.40) | 49,808.621 | 14.24 | 709,275 |
| Qualified XII (0.50) | 822,038.411 | 14.13 | 11,615,403 |
| Qualified XII (0.55) | 100,431.909 | 14.07 | 1,413,077 |
| Qualified XII (0.60) | 45,215.463 | 14.02 | 633,921 |
| Qualified XII (0.65) | 815,582.082 | 13.96 | 11,385,526 |
| Qualified XII (0.70) | 43,282.004 | 13.91 | 602,053 |
| Qualified XII (0.75) | 347,802.519 | 13.86 | 4,820,543 |
| Qualified XII (0.80) | 62,300.448 | 13.81 | 860,369 |
| Qualified XII (0.85) | 343,889.048 | 13.75 | 4,728,474 |
| Qualified XII (0.90) | 2,155.830 | 13.70 | 29,535 |
| Qualified XII (0.95) | 229,080.370 | 13.65 | 3,126,947 |
| Qualified XII (1.00) | 928,404.113 | 13.59 | 12,617,012 |
| Qualified XII (1.05) | 12,362.952 | 13.54 | 167,394 |
| Qualified XII (1.10) | 22,872.942 | 13.49 | 308,556 |
| Qualified XII (1.15) | 30,528.669 | 13.44 | 410,305 |
| Qualified XII (1.20) | 9,506.542 | 13.39 | 127,293 |
| Qualified XII (1.25) | 53,318.070 | 13.34 | 711,263 |
| Qualified XII (1.30) | 694.059 | 13.29 | 9,224 |
| Qualified XII (1.35) | 834.216 | 13.23 | 11,037 |
| Qualified XII (1.40) | 4,686.428 | 13.18 | 61,767 |
| Qualified XII (1.45) | 836.874 | 13.13 | 10,988 |
| Qualified XII (1.50) | 169.308 | 13.08 | 2,215 |

**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 XV | 1,093.873 | \$ 13.65 | \$ 14,931 |
| Qualified XVI | 26,141.956 | 13.08 | 341,937 |
| Qualified XVIII | 5,105.673 | 14.11 | 72,041 |
| Qualified XXI | 38,446.081 | 13.81 | 530,940 |
| Qualified XXXIII (0.65) | 17,209.176 | 14.40 | 247,812 |
| Qualified XXXIV | 2,760.841 | 8.12 | 22,418 |
| Qualified XXXVIII | 10,616.625 | 8.34 | 88,543 |
| Qualified XLIII | 3,246.480 | 8.13 | 26,394 |
| Qualified LIV | 50,053.111 | 13.41 | 671,212 |
| Qualified LVI | 14,803.079 | 13.78 | 203,986 |
| | <u>5,695,098.379</u> | | <u>\$ 78,378,127</u> |
| Wanger USA | | | |
| Contracts in accumulation period: | | | |
| ING Custom Choice 62 | 2,563.889 | \$ 13.93 | \$ 35,715 |
| ING Custom Choice 65 | 2,908.251 | 13.21 | 38,418 |
| ING MAP PLUS NP11 | 1,874.689 | 15.69 | 29,414 |
| ING MAP PLUS NP12 | 186.522 | 15.66 | 2,921 |
| ING MAP PLUS NP18 | 2,087.094 | 15.54 | 32,433 |
| ING MAP PLUS NP21 | 703.038 | 15.48 | 10,883 |
| ING MAP PLUS NP23 | 170.843 | 15.44 | 2,638 |
| ING MAP PLUS NP26 | 158.285 | 15.38 | 2,434 |
| Qualified V | 22.846 | 13.53 | 309 |
| Qualified VI | 518,096.715 | 13.70 | 7,097,925 |
| Qualified X (1.15) | 7,488.369 | 14.45 | 108,207 |
| Qualified X (1.25) | 19,606.303 | 14.34 | 281,154 |
| Qualified XII (0.00) | 6,417.449 | 15.07 | 96,711 |
| Qualified XII (0.05) | 66,449.615 | 15.05 | 1,000,067 |
| Qualified XII (0.10) | 43.754 | 14.96 | 655 |
| Qualified XII (0.20) | 52,165.418 | 14.84 | 774,135 |
| Qualified XII (0.25) | 1,027.869 | 14.79 | 15,202 |
| Qualified XII (0.30) | 8,021.640 | 14.73 | 118,159 |
| Qualified XII (0.35) | 487.081 | 14.67 | 7,145 |
| Qualified XII (0.40) | 97,809.817 | 14.62 | 1,429,980 |
| Qualified XII (0.50) | 446,238.710 | 14.51 | 6,474,924 |
| Qualified XII (0.55) | 7,471.511 | 14.45 | 107,963 |
| Qualified XII (0.60) | 22,295.001 | 14.40 | 321,048 |
| Qualified XII (0.65) | 116,294.304 | 14.34 | 1,667,660 |
| Qualified XII (0.70) | 26,400.355 | 14.29 | 377,261 |
| Qualified XII (0.75) | 126,159.656 | 14.23 | 1,795,252 |
| Qualified XII (0.80) | 28,774.706 | 14.18 | 408,025 |
| Qualified XII (0.85) | 183,420.887 | 14.12 | 2,589,903 |
| Qualified XII (0.90) | 2,802.485 | 14.07 | 39,431 |
| Qualified XII (0.95) | 79,950.217 | 14.01 | 1,120,103 |
| Qualified XII (1.00) | 866,682.016 | 13.96 | 12,098,881 |
| Qualified XII (1.05) | 1,975.827 | 13.91 | 27,484 |
| Qualified XII (1.10) | 19,228.830 | 13.85 | 266,319 |
| Qualified XII (1.15) | 11,032.965 | 13.80 | 152,255 |
| Qualified XII (1.20) | 2,712.595 | 13.75 | 37,298 |

**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 (1.25) | 42,097.012 | \$ 13.70 | \$ 576,729 |
| Qualified XII (1.30) | 6,703.419 | 13.64 | 91,435 |
| Qualified XII (1.35) | 853.878 | 13.59 | 11,604 |
| Qualified XII (1.40) | 4,985.699 | 13.54 | 67,506 |
| Qualified XII (1.45) | 357.150 | 13.49 | 4,818 |
| Qualified XII (1.50) | 120.019 | 13.44 | 1,613 |
| Qualified XV | 539.874 | 14.01 | 7,564 |
| Qualified XVI | 10,203.773 | 13.44 | 137,139 |
| Qualified XVIII | 1,504.304 | 14.61 | 21,978 |
| Qualified XXI | 13,202.415 | 14.18 | 187,210 |
| Qualified XXXIV | 352.756 | 9.63 | 3,397 |
| Qualified XXXVIII | 9,263.006 | 9.89 | 91,611 |
| Qualified XLIII | 234.894 | 9.64 | 2,264 |
| Qualified LIV | 21,826.262 | 12.96 | 282,868 |
| Qualified LVI | 5,940.074 | 13.32 | 79,122 |
| | <u>2,847,914.087</u> | | <u>\$ 40,135,170</u> |
| Washington Mutual Investors FundSM, Inc. - Class R-3 | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP1 | 22,517.024 | \$ 12.94 | \$ 291,370 |
| ING MAP PLUS NP8 | 68,258.618 | 12.58 | 858,693 |
| ING MAP PLUS NP9 | 57,285.065 | 12.53 | 717,782 |
| ING MAP PLUS NP11 | 66,424.217 | 12.43 | 825,653 |
| ING MAP PLUS NP12 | 1,989.066 | 12.38 | 24,625 |
| ING MAP PLUS NP13 | 7,989.741 | 12.34 | 98,593 |
| ING MAP PLUS NP14 | 28,994.836 | 12.29 | 356,347 |
| ING MAP PLUS NP15 | 39,506.761 | 12.24 | 483,563 |
| ING MAP PLUS NP17 | 2,608.833 | 12.14 | 31,671 |
| ING MAP PLUS NP18 | 4,319.469 | 12.09 | 52,222 |
| ING MAP PLUS NP19 | 11,245.314 | 12.05 | 135,506 |
| ING MAP PLUS NP20 | 21,389.437 | 12.00 | 256,673 |
| ING MAP PLUS NP21 | 5,162.816 | 11.95 | 61,696 |
| ING MAP PLUS NP22 | 569.968 | 11.90 | 6,783 |
| ING MAP PLUS NP23 | 13,457.378 | 11.86 | 159,605 |
| ING MAP PLUS NP25 | 2.086 | 11.76 | 25 |
| ING MAP PLUS NP26 | 5,116.674 | 11.72 | 59,967 |
| ING MAP PLUS NP27 | 573.722 | 11.67 | 6,695 |
| ING MAP PLUS NP28 | 1,014.270 | 11.63 | 11,796 |
| ING MAP PLUS NP29 | 1,036.058 | 11.58 | 11,998 |
| ING MAP PLUS NP32 | 1,200.595 | 11.44 | 13,735 |
| | <u>360,661.948</u> | | <u>\$ 4,464,998</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 | 10,349.410 | \$ 12.38 | \$ 128,126 |
| ING Custom Choice 65 | 1,484.790 | 12.38 | 18,382 |
| Qualified V | 2,170.886 | 11.97 | 25,986 |
| Qualified VI | 1,831,150.105 | 12.12 | 22,193,539 |
| Qualified XII (0.20) | 113,798.403 | 13.14 | 1,495,311 |
| Qualified XII (0.25) | 838.898 | 13.09 | 10,981 |
| Qualified XII (0.30) | 50,886.865 | 13.04 | 663,565 |
| Qualified XII (0.40) | 106,306.741 | 12.94 | 1,375,609 |
| Qualified XII (0.50) | 48,042.352 | 12.84 | 616,864 |
| Qualified XII (0.55) | 31,597.722 | 12.79 | 404,135 |
| Qualified XII (0.60) | 47,462.808 | 12.74 | 604,676 |
| Qualified XII (0.65) | 217,067.008 | 12.69 | 2,754,580 |
| Qualified XII (0.70) | 145,137.960 | 12.64 | 1,834,544 |
| Qualified XII (0.75) | 161,192.153 | 12.60 | 2,031,021 |
| Qualified XII (0.80) | 582,124.836 | 12.55 | 7,305,667 |
| Qualified XII (0.85) | 452,719.519 | 12.50 | 5,658,994 |
| Qualified XII (0.90) | 14,561.213 | 12.45 | 181,287 |
| Qualified XII (0.95) | 430,567.254 | 12.40 | 5,339,034 |
| Qualified XII (1.00) | 935,569.193 | 12.36 | 11,563,635 |
| Qualified XII (1.05) | 24,252.535 | 12.31 | 298,549 |
| Qualified XII (1.10) | 74,781.483 | 12.26 | 916,821 |
| Qualified XII (1.15) | 43,088.441 | 12.21 | 526,110 |
| Qualified XII (1.20) | 27,000.561 | 12.17 | 328,597 |
| Qualified XII (1.25) | 188,333.391 | 12.12 | 2,282,601 |
| Qualified XII (1.30) | 1,015.172 | 12.08 | 12,263 |
| Qualified XII (1.35) | 381.716 | 12.03 | 4,592 |
| Qualified XII (1.40) | 20,787.674 | 11.98 | 249,036 |
| Qualified XII (1.45) | 1,266.858 | 11.94 | 15,126 |
| Qualified XII (1.50) | 723.083 | 11.89 | 8,597 |
| Qualified XIII | 517.413 | 12.40 | 6,416 |
| Qualified XV | 6,137.773 | 12.40 | 76,108 |
| Qualified XVI | 38,380.799 | 11.89 | 456,348 |
| Qualified XVII | 876.594 | 12.22 | 10,712 |
| Qualified XXVII | 1,485,251.919 | 11.80 | 17,525,973 |
| Qualified XXXIV | 4,556.528 | 9.05 | 41,237 |
| Qualified XXXVIII | 20,938.803 | 9.30 | 194,731 |
| Qualified XLIII | 833.788 | 9.07 | 7,562 |
| Qualified LIV | 37,436.119 | 12.15 | 454,849 |
| Qualified LVI | 17,396.029 | 12.49 | 217,276 |
| | <u>7,176,984.795</u> | | <u>\$ 87,839,440</u> |
| Wells Fargo Advantage Small Cap Value Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| Qualified XII (1.00) | 9,322.459 | \$ 11.58 | \$ 107,954 |

**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> |
|--|----------------------|-------------------|-----------------------|
| Wells Fargo Advantage Special Small Cap Values Fund - Class A | | | |
| Contracts in accumulation period: | | | |
| ING MAP PLUS NP14 | 8,344.978 | \$ 14.31 | \$ 119,417 |
| ING MAP PLUS NP17 | 4,418.110 | 14.14 | 62,472 |
| ING MAP PLUS NP22 | 1,762.836 | 13.86 | 24,433 |
| ING MAP PLUS NP27 | 258.907 | 13.59 | 3,519 |
| Qualified V | 102.082 | 21.44 | 2,189 |
| Qualified VI | 670,841.793 | 21.84 | 14,651,185 |
| Qualified XII (0.10) | 27.049 | 24.89 | 673 |
| Qualified XII (0.20) | 48,204.884 | 24.61 | 1,186,322 |
| Qualified XII (0.30) | 7,814.377 | 24.33 | 190,124 |
| Qualified XII (0.40) | 30,488.045 | 24.06 | 733,542 |
| Qualified XII (0.50) | 11,427.049 | 23.78 | 271,735 |
| Qualified XII (0.55) | 12,048.710 | 23.65 | 284,952 |
| Qualified XII (0.60) | 15,744.759 | 23.51 | 370,159 |
| Qualified XII (0.65) | 50,866.237 | 23.38 | 1,189,253 |
| Qualified XII (0.70) | 69,374.715 | 23.25 | 1,612,962 |
| Qualified XII (0.75) | 127,423.711 | 23.12 | 2,946,036 |
| Qualified XII (0.80) | 9,695.920 | 22.98 | 222,812 |
| Qualified XII (0.85) | 130,373.396 | 22.85 | 2,979,032 |
| Qualified XII (0.90) | 2,768.489 | 22.72 | 62,900 |
| Qualified XII (0.95) | 95,389.803 | 22.60 | 2,155,810 |
| Qualified XII (1.00) | 509,275.543 | 22.47 | 11,443,421 |
| Qualified XII (1.05) | 13,240.539 | 22.34 | 295,794 |
| Qualified XII (1.10) | 20,115.026 | 22.21 | 446,755 |
| Qualified XII (1.15) | 33,565.569 | 22.09 | 741,463 |
| Qualified XII (1.20) | 4,279.131 | 21.96 | 93,970 |
| Qualified XII (1.25) | 31,687.287 | 21.84 | 692,050 |
| Qualified XII (1.30) | 2,073.646 | 21.71 | 45,019 |
| Qualified XII (1.35) | 49.991 | 21.59 | 1,079 |
| Qualified XII (1.40) | 3,347.990 | 21.47 | 71,881 |
| Qualified XII (1.45) | 278.707 | 21.34 | 5,948 |
| Qualified XII (1.50) | 3.601 | 21.22 | 76 |
| Qualified XVI | 7,322.455 | 21.22 | 155,382 |
| Qualified XVII | 406.658 | 21.84 | 8,881 |
| Qualified XXVII | 2,046,563.511 | 22.26 | 45,556,504 |
| Qualified XXXIV | 2,029.890 | 9.73 | 19,751 |
| Qualified XXXVIII | 489.763 | 10.00 | 4,898 |
| Qualified LIV | 31,712.639 | 13.09 | 415,118 |
| | <u>4,003,817.796</u> | | <u>\$ 89,067,517</u> |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

The descriptions of divisions/contracts are as follows:

ING Custom Choice 62

Group Contracts issued in connection with ING Custom Choice Special Pay product at 125 basis point charge.

ING Custom Choice 65

Group Contracts issued in connection with ING Custom Choice Original and Value product at 40 basis point charge.

ING Educator's Direct

Group Contracts issued in connection with ING Educator's Direct 403(b) program in Delaware at a zero basis point charge, effective in 2009.

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.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

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).

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 XIII

Group Contracts issued in connection with ING Custom Choice Original and Value product at 95 basis point charge.

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.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

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.

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 XXVI

Group Contracts issued in connection with Aetna Government Custom Choice plans having Contract modifications effective October 2000 to lower mortality and expense fee.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

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.

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 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 XXXIV

Group Contracts issued in connection with ING Retirement Plus and ING Voluntary TDA products at 90 basis point charge.

Qualified XXXV

Group Contracts issued in connection with Multiple Sponsored Retirement Options product at 35 basis points.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

Qualified XXXVI

Group Contracts issued in connection with Multiple Sponsored Retirement Options product at 55 and 80 basis points.

Qualified XXXVIII

Group Contracts issued in connection with ING Retirement Plus and ING Voluntary TDA products at a zero basis point charge.

Qualified XLII

Group Contracts issued in connection with ING Custom Choice Original and Value product at a zero basis point charge.

Qualified XLIII

Group Contracts issued in connection with ING Custom Choice Original and Value product at 75 basis point charge.

Qualified LIV

Group Contracts issued in connection with ING Custom Choice Original and Value product at 80 basis point charge.

Qualified LIX

Group Contracts issued in connection with ING Custom Choice Original and Value product at 50 basis point charge.

Qualified LVI

Group Contracts issued in connection with ING Custom Choice Original and Value product at 25 basis point charge.

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

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, 2011, 2010, 2009, 2008, and 2007, 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) |
|---|------------------|--|-----------------------|--|---|--|
| Alger Green Fund - Class A | | | | | | |
| 2011 | 123 | \$8.25 to \$13.56 | \$1,622 | - | 0.00% to 1.50% | -6.66% to -5.24% |
| 2010 | 114 | \$8.90 to \$14.36 | \$1,614 | - | 0.00% to 1.50% | 7.97% to 9.57% |
| 2009 | 91 | \$8.26 to \$13.24 | \$1,064 | (c) | 0.00% to 1.50% | (c) |
| 2008 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2007 | (c) | (c) | (c) | (c) | (c) | (c) |
| AllianceBernstein Growth and Income Fund, Inc. - Class A | | | | | | |
| 2011 | 16 | \$10.71 to \$11.32 | \$172 | 1.10% | 0.60% to 1.30% | 4.18% to 4.91% |
| 2010 | 18 | \$10.14 to \$10.79 | \$191 | 0.52% | 0.60% to 1.50% | 11.39% to 12.40% |
| 2009 | 21 | \$9.07 to \$9.60 | \$196 | 1.17% | 0.60% to 1.55% | 19.03% to 20.15% |
| 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% |
| AllianceBernstein Growth and Income Portfolio - Class A | | | | | | |
| 2011 | 41 | \$11.48 to \$11.57 | \$473 | 1.29% | 1.15% to 1.25% | 5.03% to 5.18% |
| 2010 | 42 | \$10.93 to \$11.11 | \$457 | - | 1.00% to 1.25% | 11.64% to 12.00% |
| 2009 | 44 | \$9.79 to \$9.92 | \$434 | 3.98% | 1.00% to 1.25% | 19.39% to 19.52% |
| 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% |
| Allianz NFJ Dividend Value Fund - Class A | | | | | | |
| 2011 | 13 | \$13.95 to \$14.03 | \$179 | 2.29% | 0.80% to 1.00% | 2.05% |
| 2010 | 19 | \$13.67 to \$13.74 | \$258 | 3.06% | 0.70% to 1.00% | 11.96% |
| 2009 | 11 | \$12.21 | \$134 | (c) | 1.00% | (c) |
| 2008 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2007 | (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) |
|--|------------------|--|-----------------------|--|---|--|
| Allianz NFJ Large-Cap Value Fund - Institutional Class | | | | | | |
| 2011 | 374 | \$7.95 to \$8.19 | \$3,063 | 2.91% | 0.00% to 0.80% | 1.02% to 1.87% |
| 2010 | 234 | \$7.78 to \$8.04 | \$1,879 | 2.62% | 0.00% to 1.25% | 11.30% to 12.76% |
| 2009 | 165 | \$6.99 to \$7.13 | \$1,179 | 3.07% | 0.00% to 1.25% | 14.78% to 16.12% |
| 2008 | 95 | \$6.09 to \$6.14 | \$580 | (b) | 0.00% to 1.25% | (b) |
| 2007 | (b) | (b) | (b) | (b) | (b) | (b) |
| Allianz NFJ Small-Cap Value Fund - Class A | | | | | | |
| 2011 | 22 | \$17.13 to \$18.68 | \$395 | 1.51% | 0.55% to 1.65% | 0.47% to 1.52% |
| 2010 | 22 | \$17.05 to \$18.40 | \$398 | 1.04% | 0.55% to 1.65% | 22.84% to 24.05% |
| 2009 | 39 | \$13.88 to \$14.77 | \$563 | 2.22% | 0.60% to 1.65% | 22.70% to 23.19% |
| 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% |
| Amana Growth Fund | | | | | | |
| 2011 | 2,411 | \$10.54 to \$14.07 | \$27,822 | 0.10% | 0.00% to 1.60% | -3.30% to -1.81% |
| 2010 | 1,503 | \$10.90 to \$14.33 | \$18,000 | 0.03% | 0.00% to 1.65% | 14.12% to 47.13% |
| 2009 | 546 | \$9.55 to \$12.44 | \$5,651 | - | 0.00% to 1.50% | 32.34% |
| 2008 | 5 | \$7.36 | \$36 | (b) | 0.05% | (b) |
| 2007 | (b) | (b) | (b) | (b) | (b) | (b) |
| Amana Income Fund | | | | | | |
| 2011 | 3,336 | \$10.92 to \$13.94 | \$40,417 | 1.63% | 0.00% to 1.50% | 0.45% to 1.99% |
| 2010 | 2,466 | \$10.87 to \$13.81 | \$29,407 | 1.54% | 0.00% to 1.55% | 10.51% to 35.39% |
| 2009 | 976 | \$9.83 to \$12.44 | \$10,356 | 1.23% | 0.00% to 1.55% | 23.52% |
| 2008 | 6 | \$8.12 | \$46 | (b) | 0.05% | (b) |
| 2007 | (b) | (b) | (b) | (b) | (b) | (b) |
| American Balanced Fund® - Class R-3 | | | | | | |
| 2011 | 446 | \$11.95 to \$13.50 | \$5,726 | 1.88% | 0.00% to 1.55% | 1.96% to 3.45% |
| 2010 | 497 | \$11.72 to \$13.05 | \$6,178 | 1.82% | 0.00% to 1.55% | 11.01% to 12.69% |
| 2009 | 524 | \$10.63 to \$11.58 | \$5,796 | 2.47% | 0.00% to 1.45% | 18.97% to 20.75% |
| 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% |

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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) |
|---|------------------|--|-----------------------|--|---|--|
| American Century Inflation-Adjusted Bond Fund - Investor Class | | | | | | |
| 2011 | 3,484 | \$12.22 to \$12.85 | \$43,588 | 3.98% | 0.00% to 1.90% | 10.89% to 13.02% |
| 2010 | 1,607 | \$11.02 to \$11.37 | \$17,967 | 2.49% | 0.00% to 1.90% | 3.75% to 5.47% |
| 2009 | 846 | \$10.67 to \$10.78 | \$9,060 | (c) | 0.00% to 1.65% | (c) |
| 2008 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2007 | (c) | (c) | (c) | (c) | (c) | (c) |
| American Century Income & Growth Fund - A Class | | | | | | |
| 2011 | 523 | \$10.19 to \$31.52 | \$5,331 | 1.36% | 1.00% | 1.70% to 1.71% |
| 2010 | 509 | \$10.02 to \$30.99 | \$5,100 | 1.15% | 1.00% | 12.69% to 12.71% |
| 2009 | 523 | \$8.89 to \$27.50 | \$4,656 | 1.84% | 1.00% | 16.36% to 16.43% |
| 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% |
| American Funds American Mutual Fund® - Class R-4 | | | | | | |
| 2011 | 1 | \$10.47 to \$10.54 | \$6 | (e) | 0.75% to 1.40% | (e) |
| 2010 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2009 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2008 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| Ariel Appreciation Fund | | | | | | |
| 2011 | 55 | \$11.43 to \$12.66 | \$679 | 0.40% | 0.60% to 1.90% | -9.07% to -8.08% |
| 2010 | 62 | \$12.40 to \$13.61 | \$833 | - | 0.75% to 2.10% | 17.20% to 18.76% |
| 2009 | 55 | \$10.58 to \$11.46 | \$622 | 0.20% | 0.75% to 2.10% | 59.58% to 61.70% |
| 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% |
| Ariel Fund | | | | | | |
| 2011 | 286 | \$10.06 to \$15.99 | \$3,064 | 0.25% | 0.00% to 1.70% | -12.80% to -11.35% |
| 2010 | 202 | \$11.52 to \$17.82 | \$2,518 | - | 0.00% to 2.10% | 23.35% to 25.12% |
| 2009 | 124 | \$9.68 to \$10.51 | \$1,271 | - | 0.70% to 2.10% | 60.42% to 62.23% |
| 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% |

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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) |
|--|------------------|--|-----------------------|--|---|--|
| Artisan International Fund - Investor Shares | | | | | | |
| 2011 | 354 | \$7.29 to \$12.80 | \$2,674 | 1.43% | 0.00% to 1.50% | -8.65% to -7.23% |
| 2010 | 306 | \$7.98 to \$13.98 | \$2,510 | 0.92% | 0.00% to 1.50% | 4.44% to 5.87% |
| 2009 | 233 | \$7.64 to \$13.31 | \$1,829 | 1.95% | 0.00% to 1.50% | 37.66% to 39.75% |
| 2008 | 57 | \$5.55 to \$5.82 | \$324 | (b) | 0.00% to 1.50% | (b) |
| 2007 | (b) | (b) | (b) | (b) | (b) | (b) |
| Aston/Fairpointe Mid Cap Fund - Class N | | | | | | |
| 2011 | 512 | \$10.77 to \$11.04 | \$5,556 | 0.24% | 0.00% to 1.50% | -7.87% to -6.79% |
| 2010 | 249 | \$11.69 to \$11.79 | \$2,925 | (d) | 0.25% to 1.50% | (d) |
| 2009 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2008 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2007 | (d) | (d) | (d) | (d) | (d) | (d) |
| BlackRock Equity Dividend Fund - Investor A Shares | | | | | | |
| 2011 | 39 | \$12.26 to \$12.49 | \$487 | 2.09% | 0.25% to 1.25% | 4.75% |
| 2010 | 15 | \$11.80 | \$183 | (d) | 0.80% | (d) |
| 2009 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2008 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2007 | (d) | (d) | (d) | (d) | (d) | (d) |
| BlackRock Mid Cap Value Opportunities Fund - Investor A Shares | | | | | | |
| 2011 | 478 | \$15.25 to \$15.91 | \$7,480 | 0.42% | 0.00% to 1.50% | -2.06% to -0.56% |
| 2010 | 285 | \$15.57 to \$16.16 | \$4,516 | - | 0.00% to 1.50% | 24.01% to 25.18% |
| 2009 | 21 | \$12.58 to \$12.99 | \$263 | (c) | 0.40% to 1.40% | (c) |
| 2008 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2007 | (c) | (c) | (c) | (c) | (c) | (c) |
| The Bond Fund of America SM , Inc. - Class R-4 | | | | | | |
| 2011 | 831 | \$10.89 to \$11.50 | \$9,219 | 3.28% | 0.00% to 1.50% | 4.91% to 6.48% |
| 2010 | 780 | \$10.38 to \$10.80 | \$8,210 | 4.03% | 0.00% to 1.50% | 5.70% to 7.25% |
| 2009 | 604 | \$9.82 to \$10.07 | \$5,982 | 4.37% | 0.00% to 1.50% | 13.13% to 14.82% |
| 2008 | 222 | \$8.68 to \$8.77 | \$1,929 | (b) | 0.00% to 1.50% | (b) |
| 2007 | (b) | (b) | (b) | (b) | (b) | (b) |

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|---|------------------|--|-----------------------|--|---|--|
| Calvert VP SRI Balanced Portfolio | | | | | | |
| 2011 | 2,054 | \$9.72 to \$32.50 | \$44,041 | 1.30% | 0.00% to 1.50% | 2.98% to 4.61% |
| 2010 | 2,182 | \$9.38 to \$31.39 | \$45,223 | 1.41% | 0.00% to 1.50% | 10.42% to 12.09% |
| 2009 | 2,270 | \$8.44 to \$28.29 | \$42,394 | 2.14% | 0.00% to 1.50% | 23.43% to 25.38% |
| 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% |
| Capital World Growth & Income Fund SM , Inc. - Class R-3 | | | | | | |
| 2011 | 33 | \$12.34 to \$12.69 | \$415 | 2.06% | 0.20% to 1.25% | -9.00% to -8.04% |
| 2010 | 27 | \$13.56 to \$13.80 | \$363 | 2.65% | 0.20% to 1.25% | 6.85% to 6.85% |
| 2009 | 1 | \$12.84 to \$12.85 | \$14 | (c) | 0.50% to 0.55% | (c) |
| 2008 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2007 | (c) | (c) | (c) | (c) | (c) | (c) |
| Cohen & Steers Realty Shares | | | | | | |
| 2011 | 71 | \$9.44 to \$9.52 | \$677 | (e) | 0.25% to 1.50% | (e) |
| 2010 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2009 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2008 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| Columbia SM Acorn Fund® - Class A | | | | | | |
| 2011 | 6 | \$12.34 to \$12.47 | \$69 | - | 0.90% to 1.45% | -5.98% |
| 2010 | 1 | \$13.20 to \$13.23 | \$9 | (d) | 0.95% to 1.15% | (d) |
| 2009 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2008 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2007 | (d) | (d) | (d) | (d) | (d) | (d) |
| Columbia SM Acorn Fund® - Class Z | | | | | | |
| 2011 | 1,012 | \$10.24 to \$10.72 | \$10,848 | 0.32% | 0.00% to 1.25% | -5.80% to -4.63% |
| 2010 | 631 | \$10.87 to \$11.24 | \$7,095 | 0.17% | 0.00% to 1.25% | 24.37% to 26.01% |
| 2009 | 275 | \$8.74 to \$8.92 | \$2,451 | 0.31% | 0.00% to 1.25% | 37.85% to 39.59% |
| 2008 | 126 | \$6.34 to \$6.39 | \$807 | (b) | 0.00% to 1.25% | (b) |
| 2007 | (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) |
|--|------------------|--|-----------------------|--|---|--|
| Columbia Mid Cap Value Fund - Class A | | | | | | |
| 2011 | 413 | \$9.00 to \$9.45 | \$3,805 | 0.57% | 0.25% to 1.60% | -5.74% to -4.55% |
| 2010 | 399 | \$9.54 to \$9.90 | \$3,877 | 1.20% | 0.25% to 1.65% | 21.09% to 22.68% |
| 2009 | 371 | \$7.90 to \$8.11 | \$2,961 | 0.84% | 0.00% to 1.60% | 30.15% to 32.30% |
| 2008 | 258 | \$6.07 to \$6.13 | \$1,575 | (b) | 0.00% to 1.55% | (b) |
| 2007 | (b) | (b) | (b) | (b) | (b) | (b) |
| Columbia Mid Cap Value Fund - Class Z | | | | | | |
| 2011 | 557 | \$9.35 to \$9.63 | \$5,363 | 1.04% | 0.00% to 0.80% | -4.79% to -3.99% |
| 2010 | 273 | \$9.82 to \$10.03 | \$2,739 | 1.48% | 0.00% to 0.80% | 22.14% to 23.22% |
| 2009 | 161 | \$8.04 to \$8.14 | \$1,314 | 1.07% | 0.00% to 0.80% | 31.59% to 32.57% |
| 2008 | 91 | \$6.11 to \$6.14 | \$561 | (b) | 0.00% to 0.80% | (b) |
| 2007 | (b) | (b) | (b) | (b) | (b) | (b) |
| CRM Mid Cap Value Fund - Investor Shares | | | | | | |
| 2011 | 16 | \$12.93 to \$13.28 | \$216 | 0.46% | 0.45% to 1.45% | -8.33% to -7.59% |
| 2010 | 16 | \$14.11 to \$14.37 | \$223 | 0.68% | 0.45% to 1.55% | 17.78% to 18.08% |
| 2009 | 6 | \$12.15 to \$12.17 | \$70 | (c) | 0.45% to 0.70% | (c) |
| 2008 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2007 | (c) | (c) | (c) | (c) | (c) | (c) |
| Dodge & Cox International Stock Fund | | | | | | |
| 2011 | 14 | \$9.69 to \$9.89 | \$136 | 4.29% | 0.75% to 1.85% | - |
| 2010 | - | \$11.80 | \$4 | (d) | 1.35% | (d) |
| 2009 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2008 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2007 | (d) | (d) | (d) | (d) | (d) | (d) |
| Dodge & Cox Stock Fund | | | | | | |
| 2011 | 2 | \$10.86 to \$10.98 | \$24 | (e) | 1.15% to 1.70% | (e) |
| 2010 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2009 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2008 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2007 | (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) |
|---|------------------|--|-----------------------|--|---|--|
| DWS Equity 500 Index Fund - Class S | | | | | | |
| 2011 | 29 | \$13.65 | \$400 | 1.86% | 1.00% | 0.89% |
| 2010 | 26 | \$13.53 | \$351 | 1.67% | 1.00% | 13.79% |
| 2009 | 21 | \$11.89 | \$247 | 1.93% | 1.00% | 25.03% |
| 2008 | 18 | \$9.51 | \$168 | 2.02% | 1.00% | -37.72% |
| 2007 | 15 | \$15.27 | \$228 | 2.03% | 1.00% | 4.30% |
| Eaton Vance Large-Cap Value Fund - Class R | | | | | | |
| 2011 | 4 | \$12.29 to \$12.74 | \$46 | 2.38% | 0.20% to 1.55% | -5.26% to -4.93% |
| 2010 | 3 | \$13.20 to \$13.40 | \$38 | - | 0.20% to 1.10% | 9.09% to 9.17% |
| 2009 | 1 | \$12.21 | \$13 | (c) | 0.50% to 0.55% | (c) |
| 2008 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2007 | (c) | (c) | (c) | (c) | (c) | (c) |
| EuroPacific Growth Fund® - Class R-3 | | | | | | |
| 2011 | 649 | \$13.81 to \$15.61 | \$9,736 | 1.18% | 0.00% to 1.55% | -15.17% to -13.85% |
| 2010 | 742 | \$16.06 to \$18.12 | \$12,954 | 1.19% | 0.00% to 1.75% | 7.21% to 9.09% |
| 2009 | 721 | \$14.98 to \$16.61 | \$11,577 | 1.76% | 0.00% to 1.75% | 36.31% to 38.65% |
| 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% |
| EuroPacific Growth Fund® - Class R-4 | | | | | | |
| 2011 | 16,297 | \$7.54 to \$15.82 | \$235,342 | 1.54% | 0.00% to 1.50% | -14.91% to -13.60% |
| 2010 | 16,595 | \$8.81 to \$18.31 | \$279,835 | 1.48% | 0.00% to 1.50% | 7.74% to 9.40% |
| 2009 | 15,890 | \$8.12 to \$16.80 | \$247,037 | 2.00% | 0.00% to 1.50% | 37.08% to 39.25% |
| 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% |
| Fidelity® Advisor New Insights Fund - Institutional Class | | | | | | |
| 2011 | 22 | \$11.82 to \$12.15 | \$259 | - | 0.40% to 1.85% | - |
| 2010 | 3 | \$12.21 to \$12.24 | \$38 | (d) | 0.90% to 1.15% | (d) |
| 2009 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2008 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2007 | (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) |
|---|------------------|--|-----------------------|--|---|--|
| Fidelity® VIP Equity-Income Portfolio - Initial Class | | | | | | |
| 2011 | 13,226 | \$8.07 to \$28.04 | \$256,279 | 2.48% | 0.00% to 1.95% | -0.94% to 1.01% |
| 2010 | 14,409 | \$8.06 to \$28.09 | \$280,318 | 1.76% | 0.00% to 2.15% | 12.73% to 15.25% |
| 2009 | 15,503 | \$7.06 to \$24.68 | \$263,715 | 2.20% | 0.00% to 2.15% | 27.38% to 30.20% |
| 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% |
| Fidelity® VIP Growth Portfolio - Initial Class | | | | | | |
| 2011 | 12,717 | \$8.01 to \$26.98 | \$214,512 | 0.38% | 0.00% to 1.80% | -1.49% to 0.18% |
| 2010 | 13,207 | \$8.07 to \$27.24 | \$225,726 | 0.34% | 0.00% to 1.85% | 21.91% to 24.36% |
| 2009 | 13,653 | \$6.55 to \$22.19 | \$190,848 | 0.43% | 0.00% to 1.85% | 25.83% to 28.29% |
| 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% |
| Fidelity® VIP High Income Portfolio - Initial Class | | | | | | |
| 2011 | 770 | \$12.55 to \$13.54 | \$9,729 | 6.80% | 0.95% to 1.50% | 2.42% to 3.04% |
| 2010 | 812 | \$12.18 to \$13.22 | \$9,957 | 7.77% | 0.95% to 1.50% | 12.13% to 12.78% |
| 2009 | 828 | \$10.80 to \$11.79 | \$9,003 | 9.19% | 0.95% to 1.50% | 41.88% to 42.48% |
| 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% |
| Fidelity® VIP Overseas Portfolio - Initial Class | | | | | | |
| 2011 | 2,181 | \$6.36 to \$17.19 | \$27,985 | 1.44% | 0.00% to 1.50% | -18.39% to -17.16% |
| 2010 | 2,316 | \$7.74 to \$20.75 | \$36,340 | 1.31% | 0.00% to 1.50% | 11.42% to 13.20% |
| 2009 | 2,527 | \$6.90 to \$18.33 | \$35,651 | 2.07% | 0.00% to 1.50% | 24.57% to 26.52% |
| 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% |
| Fidelity® VIP Contrafund® Portfolio - Initial Class | | | | | | |
| 2011 | 37,831 | \$8.53 to \$36.35 | \$988,331 | 1.03% | 0.00% to 1.95% | -4.39% to -2.54% |
| 2010 | 38,963 | \$8.83 to \$37.67 | \$1,058,819 | 1.19% | 0.00% to 2.15% | 14.74% to 17.37% |
| 2009 | 40,206 | \$7.59 to \$32.46 | \$970,509 | 1.37% | 0.00% to 2.15% | 32.82% to 35.75% |
| 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% |

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| Fidelity® VIP Index 500 Portfolio - Initial Class | | | | | | |
| 2011 | 3,936 | \$26.07 to \$26.27 | \$103,342 | 1.98% | 0.95% to 1.00% | 1.04% to 1.09% |
| 2010 | 4,089 | \$25.79 to \$26.00 | \$106,249 | 1.90% | 0.95% to 1.00% | 13.84% to 13.91% |
| 2009 | 4,173 | \$22.64 to \$22.84 | \$95,244 | 2.48% | 0.95% to 1.00% | 25.36% to 25.43% |
| 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% |
| Fidelity® VIP Mid Cap Portfolio - Initial Class | | | | | | |
| 2011 | 1,311 | \$13.81 | \$18,110 | 0.26% | - | -10.61% |
| 2010 | 1,329 | \$15.45 | \$20,531 | 0.39% | - | 28.86% |
| 2009 | 1,163 | \$11.99 | \$13,948 | 0.73% | - | 40.07% |
| 2008 | 935 | \$8.56 | \$8,006 | 0.55% | - | -39.42% |
| 2007 | 706 | \$14.13 | \$9,972 | 0.92% | - | 15.63% |
| Fidelity® VIP Asset Manager SM Portfolio - Initial Class | | | | | | |
| 2011 | 930 | \$22.29 to \$22.46 | \$20,844 | 2.01% | 0.95% to 1.00% | -3.52% to -3.46% |
| 2010 | 947 | \$23.09 to \$23.28 | \$22,008 | 1.67% | 0.95% to 1.00% | 13.12% to 13.19% |
| 2009 | 979 | \$20.40 to \$20.58 | \$20,099 | 2.41% | 0.95% to 1.00% | 27.83% to 27.90% |
| 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% |
| Mutual Global Discovery Fund - Class R | | | | | | |
| 2011 | 171 | \$15.28 to \$17.07 | \$2,800 | 1.26% | 0.15% to 1.55% | -4.68% to -3.42% |
| 2010 | 228 | \$15.81 to \$17.53 | \$3,888 | 1.60% | 0.25% to 1.75% | 8.96% to 10.53% |
| 2009 | 217 | \$14.51 to \$16.09 | \$3,353 | 0.89% | 0.00% to 1.75% | 18.87% to 20.31% |
| 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% |
| Franklin Small-Mid Cap Growth Fund - Class A | | | | | | |
| 2011 | 49 | \$12.78 to \$14.45 | \$673 | - | 0.20% to 1.75% | -6.58% to -5.57% |
| 2010 | 47 | \$13.68 to \$15.12 | \$681 | - | 0.30% to 1.75% | 26.20% to 28.04% |
| 2009 | 50 | \$10.84 to \$11.81 | \$563 | - | 0.30% to 1.75% | 40.78% to 42.81% |
| 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% |

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| Franklin Small Cap Value Securities Fund - Class 2 | | | | | | |
| 2011 | 5,934 | \$9.85 to \$20.36 | \$109,148 | 0.70% | 0.00% to 1.75% | -5.40% to -3.71% |
| 2010 | 6,233 | \$10.33 to \$21.19 | \$119,932 | 0.74% | 0.00% to 1.95% | 25.72% to 28.24% |
| 2009 | 5,720 | \$8.12 to \$16.69 | \$86,667 | 1.55% | 0.00% to 1.95% | 26.67% to 29.30% |
| 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% |
| Fundamental Investors SM , Inc. - Class R-3 | | | | | | |
| 2011 | 123 | \$8.57 to \$9.06 | \$1,093 | 1.48% | 0.00% to 1.55% | -3.71% to -2.27% |
| 2010 | 87 | \$8.90 to \$9.27 | \$793 | 1.08% | 0.00% to 1.55% | 12.17% to 13.42% |
| 2009 | 63 | \$7.97 to \$8.12 | \$505 | 0.77% | 0.25% to 1.40% | 31.09% to 32.35% |
| 2008 | 2 | \$6.08 to \$6.12 | \$13 | (b) | 0.40% to 1.35% | (b) |
| 2007 | (b) | (b) | (b) | (b) | (b) | (b) |
| Fundamental Investors SM , Inc. - Class R-4 | | | | | | |
| 2011 | 3,649 | \$8.68 to \$9.17 | \$32,351 | 1.71% | 0.00% to 1.50% | -3.34% to -1.93% |
| 2010 | 3,501 | \$8.98 to \$9.35 | \$31,928 | 1.44% | 0.00% to 1.50% | 12.25% to 14.02% |
| 2009 | 2,700 | \$8.00 to \$8.20 | \$21,781 | 1.62% | 0.00% to 1.50% | 31.36% to 33.33% |
| 2008 | 1,355 | \$6.09 to \$6.15 | \$8,280 | (b) | 0.00% to 1.50% | (b) |
| 2007 | (b) | (b) | (b) | (b) | (b) | (b) |
| The Growth Fund of America® - Class R-3 | | | | | | |
| 2011 | 1,165 | \$9.71 to \$13.13 | \$14,365 | 0.34% | 0.00% to 1.55% | -6.60% to -5.13% |
| 2010 | 1,342 | \$10.34 to \$13.84 | \$17,580 | 0.60% | 0.00% to 1.75% | 9.96% to 11.97% |
| 2009 | 1,299 | \$9.33 to \$12.36 | \$15,280 | 0.73% | 0.00% to 1.75% | 31.80% to 34.06% |
| 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% |
| The Growth Fund of America® - Class R-4 | | | | | | |
| 2011 | 21,865 | \$8.28 to \$13.42 | \$271,700 | 0.64% | 0.00% to 1.50% | -6.27% to -4.82% |
| 2010 | 23,779 | \$8.79 to \$14.10 | \$313,633 | 0.88% | 0.00% to 1.50% | 10.63% to 12.30% |
| 2009 | 23,386 | \$7.89 to \$12.56 | \$277,112 | 1.00% | 0.00% to 1.50% | 32.53% to 34.63% |
| 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% |

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| The Hartford Capital Appreciation Fund - Class R4 | | | | | | |
| 2011 | 18 | \$9.67 | \$173 | 1.65% | 0.65% | -15.77% |
| 2010 | 17 | \$11.48 | \$190 | (d) | 0.65% | (d) |
| 2009 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2008 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2007 | (d) | (d) | (d) | (d) | (d) | (d) |
| The Hartford Dividend And Growth Fund - Class R4 | | | | | | |
| 2011 | 2 | \$11.19 | \$28 | - | 0.65% | 0.27% |
| 2010 | 4 | \$11.16 | \$46 | (d) | 0.65% | (d) |
| 2009 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2008 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2007 | (d) | (d) | (d) | (d) | (d) | (d) |
| The Income Fund of America® - Class R-3 | | | | | | |
| 2011 | 153 | \$13.10 to \$14.63 | \$2,121 | 3.64% | 0.00% to 1.40% | 3.72% to 5.18% |
| 2010 | 147 | \$12.33 to \$13.91 | \$1,942 | 3.82% | 0.00% to 1.75% | 9.70% to 11.55% |
| 2009 | 149 | \$11.24 to \$12.47 | \$1,778 | 4.47% | 0.00% to 1.75% | 21.91% to 24.08% |
| 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% |
| ING Balanced Portfolio - Class I | | | | | | |
| 2011 | 13,209 | \$9.35 to \$37.60 | \$299,261 | 2.79% | 0.00% to 1.95% | -3.28% to -1.33% |
| 2010 | 14,952 | \$9.56 to \$38.46 | \$347,585 | 2.78% | 0.00% to 1.95% | 11.89% to 14.19% |
| 2009 | 16,466 | \$8.44 to \$34.02 | \$341,845 | 4.46% | 0.00% to 1.95% | 16.92% to 19.28% |
| 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% |
| ING Real Estate Fund - Class A | | | | | | |
| 2011 | 114 | \$17.05 to \$19.12 | \$2,098 | 1.97% | 0.00% to 1.45% | 7.85% to 9.32% |
| 2010 | 117 | \$15.50 to \$17.49 | \$1,971 | 2.35% | 0.00% to 1.75% | 25.63% to 27.39% |
| 2009 | 122 | \$12.60 to \$13.73 | \$1,611 | 3.77% | 0.00% to 1.45% | 27.79% to 29.65% |
| 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% |

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| ING Value Choice Fund - Class A | | | | | | |
| 2011 | - | \$11.90 | \$3 | (e) | 0.60% | (e) |
| 2010 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2009 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2008 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| ING GNMA Income Fund - Class A | | | | | | |
| 2011 | 355 | \$10.80 to \$16.78 | \$4,837 | 3.86% | 0.00% to 1.55% | 5.73% to 7.40% |
| 2010 | 367 | \$10.20 to \$15.66 | \$4,750 | 3.74% | 0.00% to 1.55% | 4.56% to 6.24% |
| 2009 | 388 | \$11.85 to \$12.98 | \$4,826 | 4.15% | 0.00% to 1.55% | 3.40% to 4.93% |
| 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% |
| ING Intermediate Bond Fund - Class A | | | | | | |
| 2011 | 251 | \$12.36 to \$13.98 | \$3,356 | 4.24% | 0.00% to 1.55% | 6.00% to 7.79% |
| 2010 | 326 | \$11.66 to \$12.97 | \$4,053 | 5.17% | 0.00% to 1.55% | 8.06% to 9.64% |
| 2009 | 334 | \$10.79 to \$11.83 | \$3,799 | 6.26% | 0.00% to 1.55% | 11.01% to 12.88% |
| 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% |
| ING Intermediate Bond Portfolio - Class I | | | | | | |
| 2011 | 17,019 | \$11.86 to \$95.33 | \$386,933 | 4.47% | 0.00% to 1.95% | 5.49% to 7.59% |
| 2010 | 17,564 | \$11.13 to \$89.57 | \$383,698 | 5.05% | 0.00% to 1.95% | 7.67% to 9.98% |
| 2009 | 18,464 | \$10.21 to \$82.40 | \$378,989 | 6.63% | 0.00% to 2.05% | 9.31% to 11.57% |
| 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% |
| ING Intermediate Bond Portfolio - Class S | | | | | | |
| 2011 | 74 | \$12.47 | \$922 | 5.44% | 0.35% | 6.95% |
| 2010 | 44 | \$11.66 | \$511 | 5.81% | 0.35% | 9.07% |
| 2009 | 33 | \$10.69 | \$349 | 7.13% | 0.35% | 10.89% |
| 2008 | 22 | \$9.64 | \$212 | 5.64% | 0.35% | -8.88% |
| 2007 | 23 | \$10.58 | \$249 | 6.90% | 0.35% | 5.27% |

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| ING Artio Foreign Portfolio - Service Class | | | | | | |
| 2011 | 1,989 | \$5.47 to \$11.57 | \$21,281 | 1.89% | 0.00% to 1.50% | -22.99% to -21.84% |
| 2010 | 2,357 | \$7.06 to \$14.81 | \$32,588 | - | 0.00% to 1.50% | 5.26% to 6.85% |
| 2009 | 2,803 | \$6.66 to \$13.86 | \$36,625 | 3.46% | 0.00% to 1.50% | 18.42% to 20.21% |
| 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% |
| ING BlackRock Health Sciences Opportunities Portfolio - Service Class | | | | | | |
| 2011 | 892 | \$9.29 to \$13.41 | \$11,294 | 0.58% | 0.00% to 1.50% | 3.15% to 4.83% |
| 2010 | 826 | \$8.95 to \$12.80 | \$10,075 | - | 0.00% to 1.50% | 5.44% to 6.93% |
| 2009 | 846 | \$8.43 to \$11.97 | \$9,719 | - | 0.00% to 1.50% | 18.24% to 20.17% |
| 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% |
| ING BlackRock Inflation Protected Bond Portfolio - Adviser Class | | | | | | |
| 2011 | 7 | \$10.65 | \$74 | (e) | 0.35% | (e) |
| 2010 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2009 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2008 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| ING BlackRock Large Cap Growth Portfolio - Institutional Class | | | | | | |
| 2011 | 9,172 | \$8.22 to \$9.41 | \$82,025 | 0.62% | 0.00% to 1.50% | -2.78% to -1.25% |
| 2010 | 9,256 | \$8.45 to \$9.53 | \$84,717 | 0.46% | 0.00% to 1.50% | 11.91% to 13.72% |
| 2009 | 9,710 | \$7.55 to \$8.39 | \$79,020 | 0.58% | 0.00% to 1.50% | 28.62% to 30.69% |
| 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 | (a) | 0.00% to 1.50% | (a) |
| ING BlackRock Large Cap Growth Portfolio - Service Class | | | | | | |
| 2011 | 51 | \$10.49 to \$13.51 | \$551 | 0.54% | 0.00% to 1.30% | -2.05% to -1.55% |
| 2010 | 18 | \$10.71 to \$10.95 | \$196 | - | 0.00% to 0.50% | 12.86% to 13.47% |
| 2009 | 17 | \$9.49 to \$9.65 | \$158 | - | 0.00% to 0.50% | 29.47% to 30.23% |
| 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% |

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| ING BlackRock Large Cap Growth Portfolio - Service 2 Class | | | | | | |
| 2011 | 29 | \$9.07 | \$261 | 0.42% | 0.35% | -1.95% |
| 2010 | 24 | \$9.25 | \$220 | - | 0.35% | 12.80% |
| 2009 | 22 | \$8.20 | \$177 | - | 0.35% | 29.54% |
| 2008 | 12 | \$6.33 | \$79 | - | 0.35% | -39.43% |
| 2007 | 14 | \$10.45 | \$147 | (a) | 0.35% | (a) |
| ING Clarion Global Real Estate Portfolio - Adviser Class | | | | | | |
| 2011 | - | \$8.90 | \$2 | (e) | 0.35% | (e) |
| 2010 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2009 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2008 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| ING Clarion Global Real Estate Portfolio - Institutional Class | | | | | | |
| 2011 | 5,765 | \$9.44 to \$9.93 | \$55,561 | 3.83% | 0.00% to 1.50% | -6.63% to -5.16% |
| 2010 | 5,816 | \$10.11 to \$10.47 | \$59,612 | 8.70% | 0.00% to 1.50% | 14.63% to 16.33% |
| 2009 | 5,675 | \$8.82 to \$9.00 | \$50,442 | 2.45% | 0.00% to 1.50% | 31.79% to 33.73% |
| 2008 | 5,361 | \$6.69 to \$6.73 | \$35,967 | (b) | 0.00% to 1.50% | (b) |
| 2007 | (b) | (b) | (b) | (b) | (b) | (b) |
| ING Clarion Real Estate Portfolio - Adviser Class | | | | | | |
| 2011 | 2 | \$9.80 | \$18 | (e) | 0.35% | (e) |
| 2010 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2009 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2008 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| ING Clarion Real Estate Portfolio - Institutional Class | | | | | | |
| 2011 | 188 | \$10.84 to \$11.48 | \$2,157 | 2.40% | 0.95% to 1.95% | 7.65% to 8.71% |
| 2010 | 182 | \$10.07 to \$10.56 | \$1,924 | 3.64% | 0.95% to 1.95% | 25.88% to 27.08% |
| 2009 | 158 | \$8.00 to \$8.31 | \$1,315 | 3.43% | 0.95% to 1.95% | 34.90% |
| 2008 | 117 | \$6.16 | \$724 | 1.92% | 0.95% | -38.89% |
| 2007 | 94 | \$9.91 to \$10.08 | \$942 | (a) | 0.95% to 1.95% | (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) |
|---|------------------|--|-----------------------|--|---|--|
| ING Clarion Real Estate Portfolio - Service Class | | | | | | |
| 2011 | 4,216 | \$9.91 to \$11.95 | \$48,009 | 1.33% | 0.00% to 1.55% | 7.87% to 9.53% |
| 2010 | 3,935 | \$9.13 to \$10.91 | \$41,259 | 3.37% | 0.00% to 1.50% | 26.02% to 28.05% |
| 2009 | 3,220 | \$7.19 to \$8.52 | \$26,610 | 3.48% | 0.00% to 1.55% | 33.83% to 35.89% |
| 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% |
| ING FMR SM Diversified Mid Cap Portfolio - Service Class | | | | | | |
| 2011 | 4,580 | \$9.19 to \$14.79 | \$64,098 | 0.20% | 0.00% to 1.60% | -12.28% to -10.93% |
| 2010 | 4,086 | \$10.41 to \$16.61 | \$64,558 | 0.15% | 0.00% to 1.80% | 26.45% to 28.45% |
| 2009 | 3,350 | \$8.18 to \$12.94 | \$41,611 | 0.53% | 0.00% to 1.50% | 37.05% to 39.14% |
| 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% |
| ING FMR SM Diversified Mid Cap Portfolio - Service 2 Class | | | | | | |
| 2011 | 1 | \$8.52 | \$12 | (e) | 0.35% | (e) |
| 2010 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2009 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2008 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| ING Global Resources Portfolio - Adviser Class | | | | | | |
| 2011 | - | \$8.76 | \$2 | (e) | 0.35% | (e) |
| 2010 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2009 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2008 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| ING Global Resources Portfolio - Institutional Class | | | | | | |
| 2011 | 2 | \$12.51 | \$30 | - | 0.20% | -9.08% |
| 2010 | 2 | \$13.76 | \$33 | - | 0.20% | 21.66% |
| 2009 | 2 | \$11.31 | \$27 | - | 0.20% | 37.59% |
| 2008 | 3 | \$8.22 | \$25 | 2.90% | 0.20% | -40.95% |
| 2007 | 3 | \$13.92 | \$44 | (a) | 0.20% | (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) |
|--|------------------|--|-----------------------|--|---|--|
| ING Global Resources Portfolio - Service Class | | | | | | |
| 2011 | 10,492 | \$8.89 to \$13.59 | \$122,291 | 0.60% | 0.00% to 1.50% | -10.51% to -9.13% |
| 2010 | 10,301 | \$9.88 to \$15.01 | \$133,413 | 0.85% | 0.00% to 1.50% | 19.77% to 21.64% |
| 2009 | 10,029 | \$8.19 to \$12.38 | \$107,768 | 0.30% | 0.00% to 1.50% | 35.47% to 37.64% |
| 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 | (a) | 0.00% to 1.50% | (a) |
| ING Invesco Van Kampen Growth and Income Portfolio - Service Class | | | | | | |
| 2011 | 1,721 | \$8.75 to \$12.25 | \$19,901 | 1.21% | 0.00% to 1.50% | -3.65% to -2.16% |
| 2010 | 1,829 | \$9.03 to \$12.52 | \$21,766 | 0.24% | 0.00% to 1.50% | 10.79% to 12.49% |
| 2009 | 1,715 | \$8.09 to \$11.13 | \$18,265 | 1.34% | 0.00% to 1.50% | 22.12% to 23.98% |
| 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% |
| ING JPMorgan Emerging Markets Equity Portfolio - Adviser Class | | | | | | |
| 2011 | 18 | \$16.12 | \$286 | 0.87% | 0.35% | -18.83% |
| 2010 | 20 | \$19.86 | \$405 | 0.48% | 0.35% | 19.49% |
| 2009 | 25 | \$16.62 | \$421 | 1.01% | 0.35% | 70.29% |
| 2008 | 18 | \$9.76 | \$171 | 3.71% | 0.35% | -51.61% |
| 2007 | 18 | \$20.17 | \$368 | 0.94% | 0.35% | 37.49% |
| ING JPMorgan Emerging Markets Equity Portfolio - Institutional Class | | | | | | |
| 2011 | 1,715 | \$16.84 to \$16.87 | \$28,902 | 1.10% | 0.95% to 1.00% | -18.84% to -18.82% |
| 2010 | 1,953 | \$20.75 to \$20.78 | \$40,548 | 0.67% | 0.95% to 1.00% | 19.39% to 19.49% |
| 2009 | 2,123 | \$17.38 to \$17.39 | \$36,901 | 1.51% | 0.95% to 1.00% | 70.32% to 70.39% |
| 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% |
| ING JPMorgan Emerging Markets Equity Portfolio - Service Class | | | | | | |
| 2011 | 1,268 | \$8.05 to \$20.76 | \$23,894 | 0.83% | 0.00% to 1.50% | -19.51% to -18.26% |
| 2010 | 1,441 | \$9.94 to \$25.42 | \$33,720 | 0.48% | 0.00% to 1.55% | 18.45% to 20.31% |
| 2009 | 1,541 | \$8.33 to \$21.25 | \$30,187 | 1.31% | 0.00% to 1.55% | 68.93% to 71.51% |
| 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% |

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|--|------------------|--|-----------------------|--|---|--|
| ING JPMorgan Small Cap Core Equity Portfolio - Adviser Class | | | | | | |
| 2011 | 1 | \$9.08 | \$9 | (e) | 0.35% | (e) |
| 2010 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2009 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2008 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| ING JPMorgan Small Cap Core Equity Portfolio - Service Class | | | | | | |
| 2011 | 631 | \$10.18 to \$14.57 | \$8,714 | 0.37% | 0.00% to 1.50% | -2.80% to -1.29% |
| 2010 | 466 | \$10.41 to \$14.76 | \$6,554 | 0.28% | 0.00% to 1.50% | 24.86% to 26.70% |
| 2009 | 324 | \$8.29 to \$11.65 | \$3,617 | 0.45% | 0.00% to 1.50% | 25.40% to 27.40% |
| 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% |
| ING Large Cap Growth Portfolio - Adviser Class | | | | | | |
| 2011 | 11 | \$10.33 | \$113 | (e) | 0.35% | (e) |
| 2010 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2009 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2008 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| ING Large Cap Growth Portfolio - Institutional Class | | | | | | |
| 2011 | 12,873 | \$10.27 to \$14.05 | \$133,022 | (e) | 0.00% to 1.50% | (e) |
| 2010 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2009 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2008 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| ING Large Cap Growth Portfolio - Service Class | | | | | | |
| 2011 | 25 | \$10.32 to \$15.22 | \$266 | 0.11% | 0.00% to 1.40% | 1.74% |
| 2010 | 217 | \$14.96 to \$15.29 | \$3,252 | 0.33% | 0.00% to 0.50% | 13.68% to 14.19% |
| 2009 | 29 | \$13.16 to \$13.39 | \$378 | 0.48% | 0.00% to 0.50% | 41.81% to 42.45% |
| 2008 | 4 | \$9.28 to \$9.40 | \$35 | - | 0.00% to 0.50% | -27.53% |
| 2007 | - | \$12.97 | - | - | - | - |

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|---|------------------|--|-----------------------|--|---|--|
| ING Large Cap Value Portfolio - Institutional Class | | | | | | |
| 2011 | 24,706 | \$8.14 to \$9.38 | \$212,312 | 1.28% | 0.00% to 1.95% | 1.50% to 3.53% |
| 2010 | 16,432 | \$8.02 to \$9.06 | \$137,628 | 2.49% | 0.00% to 1.95% | 17.08% to 19.37% |
| 2009 | 17,629 | \$6.85 to \$7.59 | \$124,824 | - | 0.00% to 1.95% | 10.45% to 12.77% |
| 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 | (a) | 0.20% to 1.95% | (a) |
| ING Large Cap Value Portfolio - Service Class | | | | | | |
| 2011 | 95 | \$8.21 to \$8.71 | \$821 | 1.94% | 0.50% to 1.55% | 2.18% |
| 2010 | - | \$8.26 | \$3 | - | 1.05% | 18.00% |
| 2009 | - | \$7.00 | \$3 | (c) | 1.05% | (c) |
| 2008 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2007 | (c) | (c) | (c) | (c) | (c) | (c) |
| ING Marsico Growth Portfolio - Institutional Class | | | | | | |
| 2011 | 904 | \$9.58 to \$10.14 | \$8,799 | 0.51% | 0.00% to 1.50% | -2.84% to -1.46% |
| 2010 | 921 | \$9.82 to \$10.29 | \$9,178 | 0.69% | 0.00% to 1.50% | 18.35% to 20.07% |
| 2009 | 881 | \$8.25 to \$8.57 | \$7,384 | 1.17% | 0.00% to 1.50% | 27.33% to 31.01% |
| 2008 | 797 | \$6.45 to \$6.62 | \$5,214 | (b) | 0.00% to 1.50% | (b) |
| 2007 | (b) | (b) | (b) | (b) | (b) | (b) |
| ING Marsico Growth Portfolio - Service Class | | | | | | |
| 2011 | 48 | \$9.91 to \$12.28 | \$570 | 0.18% | 0.25% to 1.45% | -2.98% to -1.84% |
| 2010 | 43 | \$10.12 to \$12.51 | \$522 | 0.47% | 0.25% to 1.35% | 18.32% to 19.48% |
| 2009 | 33 | \$8.47 to \$10.35 | \$337 | 0.62% | 0.35% to 1.50% | 27.96% to 28.53% |
| 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% |
| ING MFS Total Return Portfolio - Adviser Class | | | | | | |
| 2011 | 97 | \$11.59 | \$1,120 | 2.56% | 0.35% | 0.87% |
| 2010 | 93 | \$11.49 | \$1,070 | 0.41% | 0.35% | 9.12% |
| 2009 | 85 | \$10.53 | \$896 | 2.58% | 0.35% | 17.13% |
| 2008 | 55 | \$8.99 | \$497 | 4.89% | 0.35% | -22.90% |
| 2007 | 49 | \$11.66 | \$567 | 1.31% | 0.35% | 3.19% |

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|---|------------------|--|-----------------------|--|---|--|
| ING MFS Total Return Portfolio - Institutional Class | | | | | | |
| 2011 | 5,037 | \$11.03 to \$11.05 | \$55,604 | 2.69% | 0.95% to 1.00% | 0.82% to 0.91% |
| 2010 | 5,492 | \$10.94 to \$10.95 | \$60,109 | 0.45% | 0.95% to 1.00% | 9.06% to 9.07% |
| 2009 | 5,815 | \$10.03 to \$10.04 | \$58,354 | 2.74% | 0.95% to 1.00% | 17.02% to 17.04% |
| 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% |
| ING MFS Total Return Portfolio - Service Class | | | | | | |
| 2011 | 1,712 | \$9.76 to \$16.06 | \$24,886 | 2.43% | 0.00% to 1.65% | 0.07% to 1.52% |
| 2010 | 1,795 | \$9.70 to \$15.85 | \$25,934 | 0.45% | 0.00% to 1.50% | 8.18% to 9.90% |
| 2009 | 1,926 | \$8.90 to \$14.70 | \$25,683 | 2.51% | 0.00% to 1.55% | 16.03% to 17.88% |
| 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% |
| ING MFS Utilities Portfolio - Service Class | | | | | | |
| 2011 | 2,369 | \$9.86 to \$19.18 | \$42,549 | 3.65% | 0.00% to 1.50% | 4.77% to 6.40% |
| 2010 | 2,219 | \$9.35 to \$18.03 | \$37,746 | 2.63% | 0.00% to 1.50% | 12.01% to 13.72% |
| 2009 | 2,258 | \$8.29 to \$15.86 | \$34,116 | 5.53% | 0.00% to 1.50% | 30.80% to 32.83% |
| 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% |
| ING Morgan Stanley Global Franchise Portfolio - Adviser Class | | | | | | |
| 2011 | 1 | \$9.77 | \$15 | (e) | 0.35% | (e) |
| 2010 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2009 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2008 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| ING PIMCO High Yield Portfolio - Adviser Class | | | | | | |
| 2011 | 3 | \$9.91 | \$29 | (e) | 0.35% | (e) |
| 2010 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2009 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2008 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |

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|---|------------------|--|-----------------------|--|---|--|
| ING PIMCO High Yield Portfolio - Institutional Class | | | | | | |
| 2011 | 697 | \$14.47 to \$14.50 | \$10,100 | 7.87% | 0.95% to 1.00% | 3.65% to 3.72% |
| 2010 | 491 | \$13.96 to \$13.98 | \$6,858 | 7.29% | 0.95% to 1.00% | 13.40% to 13.47% |
| 2009 | 278 | \$12.31 to \$12.32 | \$3,426 | 7.29% | 0.95% to 1.00% | 48.26% to 48.31% |
| 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% |
| ING PIMCO High Yield Portfolio - Service Class | | | | | | |
| 2011 | 1,538 | \$13.34 to \$16.36 | \$23,607 | 7.03% | 0.00% to 1.50% | 2.85% to 4.47% |
| 2010 | 1,397 | \$12.89 to \$15.66 | \$20,723 | 7.21% | 0.00% to 1.50% | 12.60% to 14.27% |
| 2009 | 969 | \$11.37 to \$13.71 | \$12,663 | 8.04% | 0.00% to 1.50% | 47.07% to 49.41% |
| 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% |
| ING Pioneer Fund Portfolio - Institutional Class | | | | | | |
| 2011 | 1,981 | \$8.60 to \$10.90 | \$19,761 | 1.67% | 0.00% to 1.95% | -6.14% to -4.24% |
| 2010 | 1,963 | \$9.06 to \$11.50 | \$20,602 | 1.34% | 0.00% to 1.95% | 13.87% to 16.17% |
| 2009 | 1,654 | \$7.87 to \$10.00 | \$15,047 | 1.46% | 0.00% to 1.95% | 22.54% to 24.41% |
| 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% |
| ING Pioneer Fund Portfolio - Service Class | | | | | | |
| 2011 | 28 | \$9.42 to \$9.80 | \$271 | 1.08% | 0.80% to 1.50% | -5.85% to -5.31% |
| 2010 | 46 | \$10.00 to \$10.52 | \$473 | 1.21% | 0.45% to 1.55% | 14.27% to 15.22% |
| 2009 | 39 | \$8.83 to \$9.13 | \$353 | 1.73% | 0.45% to 1.35% | 22.44% to 23.00% |
| 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% |
| ING Pioneer Mid Cap Value Portfolio - Institutional Class | | | | | | |
| 2011 | 7,967 | \$8.77 to \$10.70 | \$80,950 | 1.54% | 0.00% to 1.90% | -6.42% to -4.80% |
| 2010 | 8,727 | \$9.30 to \$11.24 | \$93,956 | 1.11% | 0.00% to 2.10% | 15.71% to 18.32% |
| 2009 | 9,133 | \$7.93 to \$9.51 | \$83,867 | 1.50% | 0.00% to 2.10% | 23.11% to 25.46% |
| 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% |

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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 Pioneer Mid Cap Value Portfolio - Service Class | | | | | | |
| 2011 | 35 | \$9.44 to \$10.51 | \$359 | 1.34% | 0.10% to 1.65% | -6.60% to -5.06% |
| 2010 | 36 | \$10.30 to \$11.07 | \$390 | 0.82% | 0.10% to 1.65% | 16.13% to 17.77% |
| 2009 | 37 | \$8.91 to \$9.40 | \$342 | 1.47% | 0.10% to 1.55% | 23.49% to 25.00% |
| 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 | (a) | 0.35% to 1.35% | (a) |
| ING T. Rowe Price Capital Appreciation Portfolio - Adviser Class | | | | | | |
| 2011 | 15 | \$9.65 | \$146 | (e) | 0.35% | (e) |
| 2010 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2009 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2008 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| ING T. Rowe Price Capital Appreciation Portfolio - Service Class | | | | | | |
| 2011 | 28,088 | \$10.86 to \$14.95 | \$396,097 | 1.97% | 0.00% to 1.55% | 1.28% to 2.89% |
| 2010 | 25,529 | \$10.65 to \$14.53 | \$352,842 | 1.74% | 0.00% to 1.55% | 12.32% to 13.97% |
| 2009 | 21,112 | \$9.42 to \$12.75 | \$257,927 | 2.05% | 0.00% to 1.55% | 31.08% to 33.33% |
| 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% |
| ING T. Rowe Price Equity Income Portfolio - Adviser Class | | | | | | |
| 2011 | 131 | \$11.03 | \$1,447 | 1.86% | 0.35% | -1.52% |
| 2010 | 121 | \$11.20 | \$1,354 | 1.31% | 0.35% | 14.17% |
| 2009 | 142 | \$9.81 | \$1,389 | 1.56% | 0.35% | 24.18% |
| 2008 | 116 | \$7.90 | \$918 | 3.48% | 0.35% | -36.19% |
| 2007 | 93 | \$12.38 | \$1,151 | 1.02% | 0.35% | 2.40% |
| ING T. Rowe Price Equity Income Portfolio - Service Class | | | | | | |
| 2011 | 6,232 | \$8.66 to \$17.51 | \$100,170 | 1.97% | 0.00% to 1.50% | -2.41% to -0.89% |
| 2010 | 6,508 | \$8.82 to \$17.67 | \$106,214 | 1.54% | 0.00% to 1.65% | 13.06% to 15.00% |
| 2009 | 7,785 | \$7.73 to \$15.37 | \$110,806 | 1.81% | 0.00% to 1.65% | 22.83% to 24.96% |
| 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% |

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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 T. Rowe Price International Stock Portfolio - Adviser Class | | | | | | |
| 2011 | 11 | \$7.63 | \$83 | 3.66% | 0.35% | -13.00% |
| 2010 | 9 | \$8.77 | \$81 | 0.78% | 0.35% | 13.02% |
| 2009 | 23 | \$7.76 | \$175 | - | 0.35% | 36.62% |
| 2008 | 11 | \$5.68 | \$65 | - | 0.35% | -49.87% |
| 2007 | 6 | \$11.33 | \$64 | (a) | 0.35% | (a) |
| ING T. Rowe Price International Stock Portfolio - Service Class | | | | | | |
| 2011 | 564 | \$6.61 to \$12.99 | \$6,872 | 3.63% | 0.00% to 1.50% | -13.67% to -12.35% |
| 2010 | 579 | \$7.60 to \$14.82 | \$8,102 | 1.37% | 0.00% to 1.50% | 12.11% to 13.82% |
| 2009 | 690 | \$6.74 to \$13.02 | \$8,576 | 1.20% | 0.00% to 1.50% | 35.49% to 37.63% |
| 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% |
| ING Templeton Global Growth Portfolio - Institutional Class | | | | | | |
| 2011 | 53 | \$12.90 to \$13.54 | \$709 | 1.80% | 0.60% to 1.45% | -6.86% to -6.04% |
| 2010 | 52 | \$13.78 to \$14.41 | \$735 | 1.63% | 0.60% to 1.55% | 6.33% to 7.38% |
| 2009 | 56 | \$12.86 to \$13.42 | \$738 | 3.04% | 0.60% to 1.75% | 30.43% to 31.96% |
| 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% |
| ING Templeton Global Growth Portfolio - Service Class | | | | | | |
| 2011 | 438 | \$7.74 to \$9.14 | \$3,825 | 1.81% | 0.00% to 1.50% | -7.10% to -5.69% |
| 2010 | 395 | \$8.29 to \$9.72 | \$3,693 | 1.47% | 0.00% to 1.50% | 6.15% to 7.79% |
| 2009 | 402 | \$7.75 to \$9.11 | \$3,525 | 2.24% | 0.00% to 1.50% | 30.21% to 32.26% |
| 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% |
| ING U.S. Stock Index Portfolio - Institutional Class | | | | | | |
| 2011 | 532 | \$11.84 to \$13.03 | \$6,870 | 2.11% | 0.00% to 1.25% | 0.50% to 1.80% |
| 2010 | 473 | \$11.98 to \$12.80 | \$6,021 | 1.76% | 0.00% to 1.25% | 13.34% to 14.72% |
| 2009 | 356 | \$10.54 to \$11.16 | \$3,952 | 0.73% | 0.00% to 1.25% | 24.65% to 26.30% |
| 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% |

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|--|------------------|--|-----------------------|--|---|--|
| ING Money Market Portfolio - Class I | | | | | | |
| 2011 | 21,788 | \$10.14 to \$57.32 | \$341,904 | 0.00% | 0.00% to 1.60% | -1.51% to 0.06% |
| 2010 | 21,616 | \$10.23 to \$57.51 | \$342,560 | 0.02% | 0.00% to 1.85% | -1.61% to 0.29% |
| 2009 | 24,663 | \$10.28 to \$57.57 | \$403,501 | 0.30% | 0.00% to 2.05% | -1.69% to 0.35% |
| 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% |
| ING Global Real Estate Fund - Class A | | | | | | |
| 2011 | 4 | \$14.90 to \$15.02 | \$63 | 3.60% | 0.50% to 0.80% | -6.35% |
| 2010 | 3 | \$15.91 to \$15.95 | \$48 | 2.78% | 0.65% to 0.80% | 13.89% |
| 2009 | 2 | \$13.97 to \$14.00 | \$24 | (c) | 0.50% to 0.80% | (c) |
| 2008 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2007 | (c) | (c) | (c) | (c) | (c) | (c) |
| ING International Capital Appreciation Fund - Class I | | | | | | |
| 2011 | - | \$11.36 to \$11.58 | \$2 | - | 0.85% to 1.60% | -19.43% |
| 2010 | 1 | \$14.10 to \$14.24 | \$11 | - | 1.00% to 1.60% | - |
| 2009 | - | \$13.16 to \$13.18 | \$3 | (c) | 1.05% to 1.35% | (c) |
| 2008 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2007 | (c) | (c) | (c) | (c) | (c) | (c) |
| ING International SmallCap Multi-Manager Fund - Class A | | | | | | |
| 2011 | 79 | \$13.14 to \$14.68 | \$1,134 | 1.38% | 0.00% to 1.40% | -18.79% to -17.62% |
| 2010 | 101 | \$15.79 to \$17.82 | \$1,766 | 0.41% | 0.00% to 1.75% | 22.40% to 24.53% |
| 2009 | 117 | \$12.90 to \$14.31 | \$1,642 | 1.31% | 0.00% to 1.75% | 42.98% to 45.43% |
| 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% |
| ING American Century Small-Mid Cap Value Portfolio - Adviser Class | | | | | | |
| 2011 | 8 | \$13.02 | \$110 | 1.08% | 0.35% | -3.77% |
| 2010 | 6 | \$13.53 | \$76 | 1.56% | 0.35% | 21.35% |
| 2009 | 5 | \$11.15 | \$52 | - | 0.35% | 34.66% |
| 2008 | 5 | \$8.28 | \$39 | 2.63% | 0.35% | -26.92% |
| 2007 | 3 | \$11.33 | \$37 | - | 0.35% | -3.49% |

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|---|------------------|--|-----------------------|--|---|--|
| ING American Century Small-Mid Cap Value Portfolio - Initial Class | | | | | | |
| 2011 | - | \$11.01 to \$11.08 | \$5 | (e) | 0.95% to 1.40% | (e) |
| 2010 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2009 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2008 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| ING American Century Small-Mid Cap Value Portfolio - Service Class | | | | | | |
| 2011 | 2,497 | \$10.97 to \$19.08 | \$44,006 | 1.09% | 0.00% to 1.50% | -4.57% to -3.13% |
| 2010 | 2,506 | \$11.41 to \$19.70 | \$45,970 | 1.09% | 0.00% to 1.50% | 20.15% to 22.06% |
| 2009 | 2,396 | \$9.42 to \$16.14 | \$35,995 | 1.64% | 0.00% to 1.50% | 33.70% to 35.74% |
| 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% |
| ING Baron Small Cap Growth Portfolio - Adviser Class | | | | | | |
| 2011 | 99 | \$12.44 | \$1,233 | - | 0.35% | 1.55% |
| 2010 | 102 | \$12.25 | \$1,247 | - | 0.35% | 25.77% |
| 2009 | 97 | \$9.74 | \$947 | - | 0.35% | 34.34% |
| 2008 | 30 | \$7.25 | \$216 | - | 0.35% | -41.58% |
| 2007 | 21 | \$12.41 | \$257 | - | 0.35% | 5.44% |
| ING Baron Small Cap Growth Portfolio - Service Class | | | | | | |
| 2011 | 6,828 | \$9.66 to \$20.75 | \$121,607 | - | 0.00% to 1.55% | 0.69% to 2.27% |
| 2010 | 6,913 | \$9.54 to \$20.51 | \$122,371 | - | 0.00% to 1.75% | 24.28% to 26.62% |
| 2009 | 7,089 | \$7.60 to \$16.37 | \$100,316 | - | 0.00% to 1.75% | 33.14% to 35.21% |
| 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% |
| ING Columbia Small Cap Value II Portfolio - Adviser Class | | | | | | |
| 2011 | 25 | \$9.29 | \$234 | 0.77% | 0.35% | -3.23% |
| 2010 | 3 | \$9.60 | \$26 | - | 0.35% | 24.51% |
| 2009 | 3 | \$7.71 | \$21 | (c) | 0.35% | (c) |
| 2008 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2007 | (c) | (c) | (c) | (c) | (c) | (c) |

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|---|------------------|--|-----------------------|--|---|--|
| ING Columbia Small Cap Value II Portfolio - Service Class | | | | | | |
| 2011 | 312 | \$9.31 to \$10.34 | \$3,093 | 0.51% | 0.00% to 1.50% | -4.18% to -2.65% |
| 2010 | 231 | \$9.81 to \$10.66 | \$2,367 | 1.31% | 0.00% to 1.50% | 23.49% to 24.97% |
| 2009 | 174 | \$8.13 to \$8.59 | \$1,441 | 1.17% | 0.00% to 1.50% | 22.81% to 24.67% |
| 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% |
| ING Davis New York Venture Portfolio - Service Class | | | | | | |
| 2011 | 730 | \$8.15 to \$19.38 | \$11,915 | 0.99% | 0.00% to 1.50% | -6.09% to -4.66% |
| 2010 | 843 | \$8.62 to \$20.33 | \$14,440 | 0.40% | 0.00% to 1.50% | 10.40% to 12.01% |
| 2009 | 840 | \$7.76 to \$18.15 | \$12,781 | 0.66% | 0.00% to 1.50% | 29.62% to 31.62% |
| 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% |
| ING Fidelity® VIP Mid Cap Portfolio - Service Class | | | | | | |
| 2011 | 692 | \$11.51 to \$11.82 | \$7,970 | 0.17% | 0.00% to 0.50% | -11.53% to -11.13% |
| 2010 | 1,084 | \$13.01 to \$13.30 | \$14,099 | 0.52% | 0.00% to 0.50% | 27.55% to 28.13% |
| 2009 | 966 | \$10.20 to \$10.38 | \$9,850 | 4.74% | 0.00% to 0.50% | 38.59% to 39.33% |
| 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% |
| ING Global Bond Portfolio - Adviser Class | | | | | | |
| 2011 | 29 | \$14.02 | \$413 | 7.47% | 0.35% | 2.94% |
| 2010 | 35 | \$13.62 | \$471 | 3.38% | 0.35% | 14.74% |
| 2009 | 20 | \$11.87 | \$239 | 2.82% | 0.35% | 20.63% |
| 2008 | 26 | \$9.84 | \$258 | 6.75% | 0.35% | -16.26% |
| 2007 | 23 | \$11.75 | \$275 | 4.98% | 0.35% | 8.00% |
| ING Global Bond Portfolio - Initial Class | | | | | | |
| 2011 | 11,179 | \$12.12 to \$14.91 | \$155,537 | 7.58% | 0.00% to 1.95% | 1.72% to 3.76% |
| 2010 | 11,430 | \$11.79 to \$14.38 | \$154,688 | 3.10% | 0.00% to 1.95% | 13.56% to 17.21% |
| 2009 | 11,306 | \$10.26 to \$12.40 | \$132,935 | 4.07% | 0.00% to 1.95% | 18.29% to 22.41% |
| 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% |

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| ING Global Bond Portfolio - Service Class | | | | | | |
| 2011 | 72 | \$11.94 to \$13.18 | \$891 | 10.87% | 0.25% to 1.50% | 1.93% to 3.12% |
| 2010 | 90 | \$11.68 to \$12.93 | \$1,077 | 2.73% | 0.35% to 1.50% | 13.82% to 15.15% |
| 2009 | 58 | \$10.25 to \$11.36 | \$609 | 5.09% | 0.35% to 1.50% | 19.58% to 20.85% |
| 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 | (a) | 0.95% to 1.50% | (a) |
| ING Index Solution 2015 Portfolio - Initial Class | | | | | | |
| 2011 | 1 | \$10.70 to \$13.08 | \$11 | (e) | 0.95% to 1.40% | (e) |
| 2010 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2009 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2008 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| ING Index Solution 2015 Portfolio - Service Class | | | | | | |
| 2011 | 44 | \$10.86 to \$13.01 | \$552 | 0.99% | 0.00% to 0.75% | 0.08% to 0.74% |
| 2010 | 5 | \$10.78 to \$13.00 | \$55 | (d) | 0.00% to 0.75% | (d) |
| 2009 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2008 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2007 | (d) | (d) | (d) | (d) | (d) | (d) |
| ING Index Solution 2015 Portfolio - Service 2 Class | | | | | | |
| 2011 | 72 | \$10.88 to \$11.16 | \$798 | 2.29% | 0.20% to 1.55% | -0.91% to 0.45% |
| 2010 | 62 | \$10.98 to \$11.11 | \$687 | (d) | 0.20% to 1.55% | (d) |
| 2009 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2008 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2007 | (d) | (d) | (d) | (d) | (d) | (d) |
| ING Index Solution 2025 Portfolio - Initial Class | | | | | | |
| 2011 | 6 | \$10.86 to \$13.48 | \$78 | (e) | 0.95% to 1.40% | (e) |
| 2010 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2009 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2008 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |

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|---|------------------|--|-----------------------|--|---|--|
| ING Index Solution 2025 Portfolio - Service Class | | | | | | |
| 2011 | 4 | \$11.00 to \$13.40 | \$49 | 5.19% | 0.00% to 0.75% | -2.26% to -1.52% |
| 2010 | 2 | \$11.17 to \$13.71 | \$28 | (d) | 0.00% to 0.75% | (d) |
| 2009 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2008 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2007 | (d) | (d) | (d) | (d) | (d) | (d) |
| ING Index Solution 2025 Portfolio - Service 2 Class | | | | | | |
| 2011 | 178 | \$11.07 to \$11.36 | \$2,003 | 1.87% | 0.20% to 1.55% | -3.23% to -1.90% |
| 2010 | 132 | \$11.44 to \$11.58 | \$1,519 | (d) | 0.20% to 1.55% | (d) |
| 2009 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2008 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2007 | (d) | (d) | (d) | (d) | (d) | (d) |
| ING Index Solution 2035 Portfolio - Initial Class | | | | | | |
| 2011 | 3 | \$13.53 to \$13.63 | \$42 | (e) | 0.95% to 1.40% | (e) |
| 2010 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2009 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2008 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| ING Index Solution 2035 Portfolio - Service Class | | | | | | |
| 2011 | 7 | \$10.98 to \$13.57 | \$80 | 1.96% | 0.00% to 0.75% | -3.96% to -3.26% |
| 2010 | 2 | \$11.35 to \$14.13 | \$22 | (d) | 0.00% to 0.75% | (d) |
| 2009 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2008 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2007 | (d) | (d) | (d) | (d) | (d) | (d) |
| ING Index Solution 2035 Portfolio - Service 2 Class | | | | | | |
| 2011 | 139 | \$11.07 to \$11.38 | \$1,557 | 1.59% | 0.10% to 1.55% | -4.90% to -3.48% |
| 2010 | 92 | \$11.64 to \$11.79 | \$1,083 | (d) | 0.10% to 1.55% | (d) |
| 2009 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2008 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2007 | (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 Index Solution 2045 Portfolio - Initial Class | | | | | | |
| 2011 | 1 | \$13.85 to \$13.94 | \$17 | (e) | 0.95% to 1.40% | (e) |
| 2010 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2009 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2008 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| ING Index Solution 2045 Portfolio - Service Class | | | | | | |
| 2011 | 2 | \$11.08 to \$13.87 | \$19 | - | 0.00% to 0.80% | -4.80% to -4.15% |
| 2010 | - | \$11.56 to \$14.57 | \$1 | (d) | 0.00% to 0.75% | (d) |
| 2009 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2008 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2007 | (d) | (d) | (d) | (d) | (d) | (d) |
| ING Index Solution 2045 Portfolio - Service 2 Class | | | | | | |
| 2011 | 81 | \$11.16 to \$11.47 | \$923 | 1.19% | 0.10% to 1.55% | -5.82% to -4.42% |
| 2010 | 49 | \$11.85 to \$12.00 | \$584 | (d) | 0.10% to 1.55% | (d) |
| 2009 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2008 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2007 | (d) | (d) | (d) | (d) | (d) | (d) |
| ING Index Solution 2055 Portfolio - Initial Class | | | | | | |
| 2011 | - | \$10.98 | - | (e) | 0.95% | (e) |
| 2010 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2009 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2008 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| ING Index Solution 2055 Portfolio - Service Class | | | | | | |
| 2011 | 6 | \$10.87 to \$11.10 | \$64 | - | 0.00% to 1.25% | -5.04% to -4.15% |
| 2010 | - | \$11.51 to \$11.58 | \$3 | (d) | 0.00% to 0.95% | (d) |
| 2009 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2008 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2007 | (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 Index Solution 2055 Portfolio - Service 2 Class | | | | | | |
| 2011 | 5 | \$10.87 to \$10.97 | \$53 | - | 0.60% to 1.15% | -5.21% |
| 2010 | - | \$11.51 | - | (d) | 0.90% to 0.95% | (d) |
| 2009 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2008 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2007 | (d) | (d) | (d) | (d) | (d) | (d) |
| ING Index Solution Income Portfolio - Service Class | | | | | | |
| 2011 | 51 | \$10.84 to \$12.59 | \$645 | (e) | 0.00% to 0.80% | (e) |
| 2010 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2009 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2008 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| ING Index Solution Income Portfolio - Service 2 Class | | | | | | |
| 2011 | 17 | \$10.78 to \$10.97 | \$186 | 2.89% | 0.60% to 1.55% | 0.94% to 1.86% |
| 2010 | 15 | \$10.68 to \$10.76 | \$160 | (d) | 0.65% to 1.55% | (d) |
| 2009 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2008 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2007 | (d) | (d) | (d) | (d) | (d) | (d) |
| ING Invesco Van Kampen Comstock Portfolio - Adviser Class | | | | | | |
| 2011 | 28 | \$10.45 | \$297 | 1.32% | 0.35% | -2.70% |
| 2010 | 29 | \$10.74 | \$307 | 1.02% | 0.35% | 14.38% |
| 2009 | 30 | \$9.39 | \$284 | 2.04% | 0.35% | 27.76% |
| 2008 | 28 | \$7.35 | \$206 | 3.06% | 0.35% | -36.80% |
| 2007 | 33 | \$11.63 | \$382 | 1.50% | 0.35% | -2.92% |
| ING Invesco Van Kampen Comstock Portfolio - Service Class | | | | | | |
| 2011 | 3,682 | \$8.53 to \$14.49 | \$46,669 | 1.37% | 0.00% to 1.95% | -3.92% to -2.12% |
| 2010 | 4,016 | \$8.79 to \$14.95 | \$52,549 | 1.29% | 0.00% to 1.95% | 12.86% to 15.17% |
| 2009 | 4,478 | \$7.70 to \$13.12 | \$51,283 | 2.28% | 0.00% to 1.95% | 25.95% to 28.60% |
| 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% |

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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 Invesco Van Kampen Equity and Income Portfolio - Adviser Class | | | | | | |
| 2011 | 55 | \$11.80 | \$649 | 2.05% | 0.35% | -1.91% |
| 2010 | 43 | \$12.03 | \$523 | 1.38% | 0.35% | 11.39% |
| 2009 | 46 | \$10.80 | \$492 | 1.50% | 0.35% | 21.62% |
| 2008 | 35 | \$8.88 | \$308 | 7.05% | 0.35% | -24.04% |
| 2007 | 17 | \$11.69 | \$203 | 2.68% | 0.35% | 2.72% |
| ING Invesco Van Kampen Equity and Income Portfolio - Initial Class | | | | | | |
| 2011 | 18,261 | \$9.95 to \$13.67 | \$228,833 | 2.23% | 0.00% to 1.95% | -3.03% to -1.01% |
| 2010 | 19,572 | \$10.15 to \$13.81 | \$249,741 | 1.82% | 0.00% to 1.95% | 10.19% to 17.25% |
| 2009 | 21,103 | \$9.11 to \$12.30 | \$240,779 | 1.87% | 0.00% to 1.95% | 14.24% to 25.89% |
| 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% |
| ING Invesco Van Kampen Equity and Income Portfolio - Service Class | | | | | | |
| 2011 | 6 | \$38.32 to \$39.30 | \$229 | 2.26% | 1.00% to 1.25% | -2.54% to -2.31% |
| 2010 | 5 | \$39.32 to \$40.23 | \$214 | 1.65% | 1.00% to 1.25% | 10.64% to 10.92% |
| 2009 | 4 | \$35.54 to \$36.27 | \$149 | 1.31% | 1.00% to 1.25% | 20.84% to 21.14% |
| 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% |
| ING JPMorgan Mid Cap Value Portfolio - Adviser Class | | | | | | |
| 2011 | 25 | \$12.49 | \$308 | 0.58% | 0.35% | 1.30% |
| 2010 | 31 | \$12.33 | \$378 | 0.60% | 0.35% | 22.20% |
| 2009 | 29 | \$10.09 | \$292 | 1.12% | 0.35% | 24.88% |
| 2008 | 30 | \$8.08 | \$245 | 1.58% | 0.35% | -33.44% |
| 2007 | 32 | \$12.14 | \$386 | 0.42% | 0.35% | 1.76% |
| ING JPMorgan Mid Cap Value Portfolio - Service Class | | | | | | |
| 2011 | 1,760 | \$10.00 to \$19.76 | \$30,683 | 0.83% | 0.00% to 1.50% | 0.29% to 1.88% |
| 2010 | 1,790 | \$9.91 to \$19.41 | \$30,952 | 0.77% | 0.00% to 1.55% | 21.11% to 23.01% |
| 2009 | 1,864 | \$8.12 to \$15.78 | \$26,549 | 1.24% | 0.00% to 1.55% | 23.68% to 25.73% |
| 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% |

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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 Oppenheimer Global Portfolio - Adviser Class | | | | | | |
| 2011 | 46 | \$11.12 | \$515 | 1.20% | 0.35% | -8.93% |
| 2010 | 40 | \$12.21 | \$483 | 1.39% | 0.35% | 15.08% |
| 2009 | 36 | \$10.61 | \$383 | 1.61% | 0.35% | 38.51% |
| 2008 | 31 | \$7.66 | \$238 | 2.32% | 0.35% | -40.85% |
| 2007 | 28 | \$12.95 | \$365 | 0.43% | 0.35% | 5.63% |
| ING Oppenheimer Global Portfolio - Initial Class | | | | | | |
| 2011 | 40,001 | \$8.34 to \$13.73 | \$498,449 | 1.52% | 0.00% to 1.65% | -9.60% to -8.10% |
| 2010 | 43,210 | \$9.16 to \$14.94 | \$591,369 | 1.57% | 0.00% to 1.80% | 14.05% to 21.88% |
| 2009 | 46,362 | \$7.95 to \$12.86 | \$549,793 | 2.38% | 0.00% to 1.95% | 29.29% to 44.58% |
| 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% |
| ING Oppenheimer Global Portfolio - Service Class | | | | | | |
| 2011 | 44 | \$14.05 to \$14.39 | \$638 | 1.40% | 1.00% to 1.25% | -9.53% to -9.33% |
| 2010 | 41 | \$15.53 to \$15.87 | \$647 | 1.41% | 1.00% to 1.25% | 14.36% to 14.67% |
| 2009 | 35 | \$13.58 to \$13.84 | \$486 | 2.12% | 1.00% to 1.25% | 37.59% to 37.99% |
| 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% |
| ING PIMCO Total Return Portfolio - Adviser Class | | | | | | |
| 2011 | 185 | \$13.93 | \$2,578 | 2.89% | 0.35% | 2.58% |
| 2010 | 147 | \$13.58 | \$1,991 | 3.43% | 0.35% | 6.93% |
| 2009 | 96 | \$12.70 | \$1,215 | 3.17% | 0.35% | 11.99% |
| 2008 | 77 | \$11.34 | \$870 | 5.48% | 0.35% | -0.79% |
| 2007 | 48 | \$11.43 | \$554 | 4.13% | 0.35% | 8.75% |
| ING PIMCO Total Return Portfolio - Initial Class | | | | | | |
| 2011 | 8 | \$10.22 to \$10.29 | \$78 | (e) | 0.95% to 1.40% | (e) |
| 2010 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2009 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2008 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |

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|--|------------------|--|-----------------------|--|---|--|
| ING PIMCO Total Return Portfolio - Service Class | | | | | | |
| 2011 | 15,317 | \$12.41 to \$17.01 | \$232,928 | 2.92% | 0.00% to 1.95% | 1.25% to 3.26% |
| 2010 | 15,339 | \$12.13 to \$16.48 | \$227,651 | 3.41% | 0.00% to 1.95% | 5.45% to 7.58% |
| 2009 | 12,634 | \$11.37 to \$15.32 | \$175,181 | 3.28% | 0.00% to 1.95% | 10.40% to 12.68% |
| 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% |
| ING Pioneer High Yield Portfolio - Initial Class | | | | | | |
| 2011 | 1,281 | \$13.37 to \$15.78 | \$19,191 | 6.17% | 0.00% to 1.95% | -2.62% to -0.69% |
| 2010 | 1,177 | \$13.58 to \$15.89 | \$17,901 | 6.06% | 0.00% to 1.95% | 16.67% to 19.10% |
| 2009 | 1,047 | \$11.50 to \$13.35 | \$13,508 | 6.43% | 0.00% to 1.95% | 64.58% to 67.08% |
| 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% |
| ING Pioneer High Yield Portfolio - Service Class | | | | | | |
| 2011 | 27 | \$14.41 to \$15.25 | \$393 | 5.50% | 0.35% to 1.35% | -2.31% to -1.29% |
| 2010 | 25 | \$14.71 to \$15.45 | \$370 | 5.44% | 0.35% to 1.40% | 17.02% to 18.30% |
| 2009 | 14 | \$12.57 to \$13.06 | \$181 | 6.87% | 0.35% to 1.40% | 64.31% to 65.47% |
| 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% |
| ING Solution 2015 Portfolio - Adviser Class | | | | | | |
| 2011 | 71 | \$11.31 to \$12.12 | \$805 | 2.89% | 0.00% to 0.35% | -1.22% to -0.90% |
| 2010 | 45 | \$11.45 to \$12.23 | \$512 | 0.09% | 0.00% to 0.65% | 10.19% to 10.88% |
| 2009 | 1,347 | \$10.26 to \$11.03 | \$14,444 | 3.68% | 0.00% to 1.55% | 20.28% to 22.15% |
| 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% |
| ING Solution 2015 Portfolio - Service Class | | | | | | |
| 2011 | 5,226 | \$9.45 to \$12.33 | \$60,328 | 3.23% | 0.00% to 1.50% | -2.19% to -0.68% |
| 2010 | 4,993 | \$9.61 to \$12.42 | \$58,754 | 2.36% | 0.00% to 1.50% | 9.61% to 11.39% |
| 2009 | 4,158 | \$8.71 to \$11.17 | \$44,359 | 3.84% | 0.00% to 1.50% | 20.49% to 22.39% |
| 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% |

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|---|------------------|--|-----------------------|--|---|--|
| ING Solution 2015 Portfolio - Service 2 Class | | | | | | |
| 2011 | 1,241 | \$11.00 to \$11.33 | \$13,912 | 3.32% | 0.00% to 1.55% | -2.40% to -0.79% |
| 2010 | 1,297 | \$11.27 to \$11.42 | \$14,738 | (d) | 0.00% to 1.55% | (d) |
| 2009 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2008 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2007 | (d) | (d) | (d) | (d) | (d) | (d) |
| ING Solution 2025 Portfolio - Adviser Class | | | | | | |
| 2011 | 36 | \$10.70 | \$387 | 1.90% | 0.35% | -3.69% |
| 2010 | 32 | \$11.11 to \$12.08 | \$351 | 0.05% | 0.00% to 0.95% | 12.38% to 13.53% |
| 2009 | 1,753 | \$9.82 to \$10.64 | \$18,118 | 3.06% | 0.00% to 1.55% | 23.44% to 25.32% |
| 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% |
| ING Solution 2025 Portfolio - Service Class | | | | | | |
| 2011 | 8,260 | \$8.71 to \$11.89 | \$92,206 | 2.18% | 0.00% to 1.50% | -4.53% to -3.03% |
| 2010 | 7,451 | \$9.07 to \$12.27 | \$86,539 | 1.58% | 0.00% to 1.50% | 12.04% to 13.82% |
| 2009 | 6,278 | \$8.03 to \$10.78 | \$64,506 | 3.13% | 0.00% to 1.50% | 23.86% to 25.93% |
| 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% |
| ING Solution 2025 Portfolio - Service 2 Class | | | | | | |
| 2011 | 1,727 | \$11.17 to \$11.51 | \$19,675 | 2.22% | 0.00% to 1.55% | -4.77% to -3.20% |
| 2010 | 1,708 | \$11.73 to \$11.89 | \$20,208 | (d) | 0.00% to 1.55% | (d) |
| 2009 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2008 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2007 | (d) | (d) | (d) | (d) | (d) | (d) |
| ING Solution 2035 Portfolio - Adviser Class | | | | | | |
| 2011 | 32 | \$10.55 | \$338 | 1.12% | 0.35% | -5.21% |
| 2010 | 34 | \$11.13 to \$11.56 | \$379 | 0.05% | 0.35% to 1.00% | 13.11% to 13.92% |
| 2009 | 1,547 | \$9.77 to \$10.71 | \$16,062 | 2.66% | 0.00% to 1.55% | 26.08% to 28.11% |
| 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% |

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|---|------------------|--|-----------------------|--|---|--|
| ING Solution 2035 Portfolio - Service Class | | | | | | |
| 2011 | 6,862 | \$8.36 to \$11.85 | \$76,467 | 1.61% | 0.00% to 1.50% | -6.05% to -4.55% |
| 2010 | 5,947 | \$8.85 to \$12.42 | \$70,002 | 1.19% | 0.00% to 1.50% | 12.86% to 14.58% |
| 2009 | 5,065 | \$7.78 to \$10.84 | \$52,312 | 2.79% | 0.00% to 1.50% | 26.47% to 28.44% |
| 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% |
| ING Solution 2035 Portfolio - Service 2 Class | | | | | | |
| 2011 | 1,444 | \$11.18 to \$11.52 | \$16,464 | 1.68% | 0.00% to 1.55% | -6.29% to -4.79% |
| 2010 | 1,425 | \$11.93 to \$12.10 | \$17,154 | (d) | 0.00% to 1.55% | (d) |
| 2009 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2008 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2007 | (d) | (d) | (d) | (d) | (d) | (d) |
| ING Solution 2045 Portfolio - Adviser Class | | | | | | |
| 2011 | 11 | \$10.34 | \$115 | 1.03% | 0.35% | -5.74% |
| 2010 | 7 | \$10.97 | \$80 | 0.02% | 0.35% | 14.51% |
| 2009 | 1,072 | \$9.58 to \$10.68 | \$11,165 | 2.16% | 0.00% to 1.55% | 27.31% to 29.30% |
| 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% |
| ING Solution 2045 Portfolio - Service Class | | | | | | |
| 2011 | 4,993 | \$8.06 to \$11.80 | \$55,372 | 1.22% | 0.00% to 1.50% | -6.56% to -5.12% |
| 2010 | 4,246 | \$8.57 to \$12.44 | \$49,958 | 0.90% | 0.00% to 1.50% | 13.39% to 15.17% |
| 2009 | 3,511 | \$7.51 to \$10.81 | \$36,075 | 2.34% | 0.00% to 1.50% | 27.92% to 29.93% |
| 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% |
| ING Solution 2045 Portfolio - Service 2 Class | | | | | | |
| 2011 | 1,168 | \$11.22 to \$11.56 | \$13,383 | 1.25% | 0.00% to 1.55% | -6.89% to -5.40% |
| 2010 | 1,142 | \$12.05 to \$12.22 | \$13,890 | (d) | 0.00% to 1.55% | (d) |
| 2009 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2008 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2007 | (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 Solution 2055 Portfolio - Service Class | | | | | | |
| 2011 | 130 | \$10.20 to \$11.02 | \$1,414 | 0.37% | 0.05% to 1.50% | -6.52% to -5.16% |
| 2010 | 19 | \$11.50 to \$11.62 | \$222 | (d) | 0.05% to 1.50% | (d) |
| 2009 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2008 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2007 | (d) | (d) | (d) | (d) | (d) | (d) |
| ING Solution 2055 Portfolio - Service 2 Class | | | | | | |
| 2011 | 24 | \$10.74 to \$11.00 | \$259 | 0.46% | 0.00% to 1.45% | -6.43% to -5.25% |
| 2010 | 15 | \$11.51 to \$11.61 | \$174 | (d) | 0.00% to 1.25% | (d) |
| 2009 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2008 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2007 | (d) | (d) | (d) | (d) | (d) | (d) |
| ING Solution Growth Portfolio - Service Class | | | | | | |
| 2011 | 193 | \$9.02 to \$9.44 | \$1,775 | 0.33% | 0.25% to 1.50% | -3.94% to -2.68% |
| 2010 | 131 | \$9.39 to \$9.70 | \$1,246 | 1.11% | 0.25% to 1.50% | 11.11% to 12.40% |
| 2009 | 86 | \$8.45 to \$8.63 | \$737 | 0.66% | 0.25% to 1.50% | 22.87% to 23.99% |
| 2008 | 25 | \$6.91 to \$6.96 | \$174 | (b) | 0.25% to 1.25% | (b) |
| 2007 | (b) | (b) | (b) | (b) | (b) | (b) |
| ING Solution Income Portfolio - Adviser Class | | | | | | |
| 2011 | 25 | \$11.90 | \$303 | 2.00% | 0.35% | -0.17% |
| 2010 | 84 | \$11.92 to \$12.20 | \$998 | 0.63% | 0.25% to 0.40% | 8.82% to 9.03% |
| 2009 | 776 | \$10.61 to \$11.32 | \$8,576 | 5.19% | 0.00% to 1.40% | 15.42% to 16.94% |
| 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% |
| ING Solution Income Portfolio - Service Class | | | | | | |
| 2011 | 1,144 | \$10.40 to \$12.61 | \$13,757 | 3.92% | 0.00% to 1.50% | -1.13% to 0.42% |
| 2010 | 1,044 | \$10.46 to \$12.57 | \$12,512 | 3.39% | 0.00% to 1.50% | 7.95% to 9.78% |
| 2009 | 852 | \$9.63 to \$11.47 | \$9,378 | 5.44% | 0.00% to 1.50% | 15.44% to 17.28% |
| 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% |

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|---|------------------|--|-----------------------|--|---|--|
| ING Solution Income Portfolio - Service 2 Class | | | | | | |
| 2011 | 241 | \$10.80 to \$11.10 | \$2,646 | 3.22% | 0.00% to 1.45% | -1.10% to 0.27% |
| 2010 | 458 | \$10.93 to \$11.07 | \$5,049 | (d) | 0.00% to 1.40% | (d) |
| 2009 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2008 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2007 | (d) | (d) | (d) | (d) | (d) | (d) |
| ING Solution Moderate Portfolio - Service Class | | | | | | |
| 2011 | 305 | \$9.68 to \$10.14 | \$3,018 | 0.54% | 0.25% to 1.50% | -2.22% to -0.88% |
| 2010 | 247 | \$9.90 to \$10.23 | \$2,487 | 1.49% | 0.25% to 1.50% | 9.51% to 10.95% |
| 2009 | 167 | \$9.04 to \$9.22 | \$1,529 | 0.93% | 0.25% to 1.50% | 18.61% to 19.90% |
| 2008 | 82 | \$7.63 to \$7.69 | \$625 | (b) | 0.25% to 1.40% | (b) |
| 2007 | (b) | (b) | (b) | (b) | (b) | (b) |
| ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Adviser Class | | | | | | |
| 2011 | 32 | \$12.64 | \$409 | 0.23% | 0.35% | -4.53% |
| 2010 | 34 | \$13.24 | \$451 | - | 0.35% | 27.31% |
| 2009 | 30 | \$10.40 | \$313 | - | 0.35% | 45.05% |
| 2008 | 30 | \$7.17 | \$212 | - | 0.35% | -43.54% |
| 2007 | 29 | \$12.70 | \$365 | - | 0.35% | 12.29% |
| ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Initial Class | | | | | | |
| 2011 | 22,944 | \$9.79 to \$14.79 | \$309,528 | 0.35% | 0.00% to 1.50% | -5.15% to -3.64% |
| 2010 | 24,412 | \$10.25 to \$15.35 | \$345,307 | 0.28% | 0.00% to 1.50% | 26.65% to 31.82% |
| 2009 | 25,435 | \$8.04 to \$11.95 | \$281,756 | 0.43% | 0.00% to 1.50% | 40.28% to 52.34% |
| 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% |
| ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Service Class | | | | | | |
| 2011 | 47 | \$9.63 to \$14.22 | \$580 | 0.18% | 0.00% to 1.25% | -5.12% to -3.92% |
| 2010 | 43 | \$10.15 to \$14.80 | \$562 | - | 0.00% to 1.25% | 26.47% to 28.14% |
| 2009 | 36 | \$8.02 to \$11.55 | \$368 | 0.31% | 0.00% to 1.25% | 44.22% to 46.02% |
| 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% |

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|---|------------------|--|-----------------------|--|---|--|
| ING T. Rowe Price Growth Equity Portfolio - Adviser Class | | | | | | |
| 2011 | 98 | \$11.60 | \$1,139 | - | 0.35% | -1.94% |
| 2010 | 101 | \$11.83 | \$1,195 | - | 0.35% | 15.87% |
| 2009 | 105 | \$10.21 | \$1,070 | - | 0.35% | 41.81% |
| 2008 | 103 | \$7.20 | \$743 | 0.32% | 0.35% | -42.72% |
| 2007 | 92 | \$12.57 | \$1,155 | - | 0.35% | 9.02% |
| ING T. Rowe Price Growth Equity Portfolio - Initial Class | | | | | | |
| 2011 | 9,608 | \$9.08 to \$28.03 | \$208,716 | - | 0.00% to 1.50% | -2.57% to -1.06% |
| 2010 | 10,050 | \$9.27 to \$28.62 | \$223,428 | 0.04% | 0.00% to 1.50% | 15.11% to 16.88% |
| 2009 | 10,235 | \$7.99 to \$24.73 | \$200,867 | 0.17% | 0.00% to 1.50% | 40.83% to 43.01% |
| 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% |
| ING T. Rowe Price Growth Equity Portfolio - Service Class | | | | | | |
| 2011 | 156 | \$11.83 to \$14.07 | \$2,053 | - | 0.00% to 1.55% | -2.79% to -1.33% |
| 2010 | 152 | \$12.17 to \$14.40 | \$2,022 | 0.06% | 0.00% to 1.55% | 14.81% to 16.61% |
| 2009 | 140 | \$10.60 to \$12.48 | \$1,598 | - | 0.00% to 1.55% | 40.40% to 42.58% |
| 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% |
| ING Templeton Foreign Equity Portfolio - Adviser Class | | | | | | |
| 2011 | 59 | \$7.78 | \$457 | 2.05% | 0.35% | -12.68% |
| 2010 | 36 | \$8.91 | \$324 | 1.86% | 0.35% | 7.87% |
| 2009 | 26 | \$8.26 | \$215 | - | 0.35% | 30.90% |
| 2008 | 23 | \$6.31 | \$143 | (b) | 0.35% | (b) |
| 2007 | (b) | (b) | (b) | (b) | (b) | (b) |
| ING Templeton Foreign Equity Portfolio - Initial Class | | | | | | |
| 2011 | 10,100 | \$7.54 to \$8.03 | \$77,991 | 1.95% | 0.00% to 1.50% | -13.36% to -12.05% |
| 2010 | 10,877 | \$8.70 to \$9.13 | \$96,382 | 2.20% | 0.00% to 1.50% | 7.22% to 9.74% |
| 2009 | 11,443 | \$8.11 to \$8.38 | \$94,024 | - | 0.00% to 1.50% | 30.10% to 32.18% |
| 2008 | 12,039 | \$6.23 to \$6.34 | \$75,608 | (b) | 0.00% to 1.50% | (b) |
| 2007 | (b) | (b) | (b) | (b) | (b) | (b) |

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|---|------------------|--|-----------------------|--|---|--|
| ING Templeton Foreign Equity Portfolio - Service Class | | | | | | |
| 2011 | 9 | \$8.95 to \$9.69 | \$86 | 1.15% | 0.00% to 1.40% | -13.44% to -12.23% |
| 2010 | 8 | \$10.32 to \$11.04 | \$88 | 2.76% | 0.00% to 1.45% | 7.04% to 8.55% |
| 2009 | 6 | \$9.64 to \$10.17 | \$57 | - | 0.00% to 1.45% | 30.01% to 31.91% |
| 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% |
| ING Thornburg Value Portfolio - Adviser Class | | | | | | |
| 2011 | 60 | \$10.29 | \$614 | 0.60% | 0.35% | -13.82% |
| 2010 | 32 | \$11.94 | \$383 | 1.23% | 0.35% | 10.45% |
| 2009 | 40 | \$10.81 | \$429 | 0.83% | 0.35% | 43.56% |
| 2008 | 39 | \$7.53 | \$295 | 0.25% | 0.35% | -40.24% |
| 2007 | 41 | \$12.60 | \$521 | - | 0.35% | 6.33% |
| ING Thornburg Value Portfolio - Initial Class | | | | | | |
| 2011 | 3,771 | \$6.01 to \$29.36 | \$75,735 | 0.79% | 0.00% to 1.50% | -14.42% to -13.08% |
| 2010 | 4,052 | \$7.02 to \$34.13 | \$93,417 | 1.46% | 0.00% to 1.50% | 9.69% to 11.38% |
| 2009 | 4,320 | \$6.40 to \$30.95 | \$89,807 | 1.14% | 0.00% to 1.50% | 42.54% to 44.85% |
| 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% |
| ING UBS U.S. Large Cap Equity Portfolio - Adviser Class | | | | | | |
| 2011 | 9 | \$9.58 | \$82 | 1.27% | 0.35% | -3.33% |
| 2010 | 8 | \$9.91 | \$75 | - | 0.35% | 12.36% |
| 2009 | 9 | \$8.82 | \$77 | 1.67% | 0.35% | 30.67% |
| 2008 | 6 | \$6.75 | \$43 | 3.57% | 0.35% | -40.27% |
| 2007 | 1 | \$11.30 | \$13 | (a) | 0.35% | (a) |
| ING UBS U.S. Large Cap Equity Portfolio - Initial Class | | | | | | |
| 2011 | 4,859 | \$8.15 to \$18.24 | \$66,888 | 1.11% | 0.00% to 1.95% | -4.46% to -2.54% |
| 2010 | 5,497 | \$8.44 to \$18.72 | \$78,055 | 0.90% | 0.00% to 1.95% | 11.28% to 13.46% |
| 2009 | 6,024 | \$7.50 to \$16.50 | \$76,337 | 1.44% | 0.00% to 1.95% | 29.15% to 31.83% |
| 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% |

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|---|------------------|--|-----------------------|--|---|--|
| ING UBS U.S. Large Cap Equity Portfolio - Service Class | | | | | | |
| 2011 | 2 | \$9.20 | \$18 | - | 1.00% | -3.66% |
| 2010 | 2 | \$9.55 | \$16 | - | 1.00% | 11.83% |
| 2009 | 1 | \$8.54 | \$10 | - | 1.00% | 30.18% |
| 2008 | 1 | \$6.56 | \$6 | - | 1.00% | -40.58% |
| 2007 | 1 | \$11.04 | \$6 | - | 1.00% | -0.09% |
| ING Core Equity Research Fund - Class A | | | | | | |
| 2011 | 13 | \$14.79 to \$15.19 | \$189 | 1.03% | 0.35% to 1.25% | -1.66% to -0.78% |
| 2010 | 13 | \$14.99 to \$15.29 | \$200 | 0.61% | 0.40% to 1.40% | 10.95% to 12.10% |
| 2009 | 9 | \$13.49 to \$13.64 | \$129 | (c) | 0.40% to 1.55% | (c) |
| 2008 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2007 | (c) | (c) | (c) | (c) | (c) | (c) |
| ING Strategic Allocation Conservative Portfolio - Class I | | | | | | |
| 2011 | 1,920 | \$9.91 to \$21.55 | \$31,636 | 4.08% | 0.00% to 1.60% | 0.18% to 1.80% |
| 2010 | 1,876 | \$9.82 to \$21.17 | \$30,602 | 4.39% | 0.00% to 1.60% | 9.40% to 11.10% |
| 2009 | 1,943 | \$8.92 to \$19.06 | \$29,313 | 7.90% | 0.00% to 1.95% | 15.62% to 17.94% |
| 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% |
| ING Strategic Allocation Growth Portfolio - Class I | | | | | | |
| 2011 | 3,981 | \$8.45 to \$20.63 | \$61,425 | 2.68% | 0.00% to 1.95% | -4.75% to -2.89% |
| 2010 | 4,056 | \$8.78 to \$21.25 | \$65,533 | 3.58% | 0.00% to 1.95% | 10.82% to 13.15% |
| 2009 | 4,155 | \$7.83 to \$18.80 | \$60,353 | 9.30% | 0.00% to 1.95% | 22.80% to 25.27% |
| 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% |
| ING Strategic Allocation Moderate Portfolio - Class I | | | | | | |
| 2011 | 3,774 | \$9.12 to \$20.83 | \$57,881 | 3.49% | 0.00% to 1.60% | -2.21% to -0.57% |
| 2010 | 3,928 | \$9.26 to \$20.95 | \$61,501 | 3.92% | 0.00% to 1.60% | 10.25% to 12.15% |
| 2009 | 3,969 | \$8.34 to \$18.68 | \$56,060 | 8.62% | 0.00% to 1.60% | 19.91% to 21.77% |
| 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% |

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|---|------------------|--|-----------------------|--|---|--|
| ING Growth and Income Portfolio - Class A | | | | | | |
| 2011 | 89 | \$9.65 | \$856 | 1.09% | 0.35% | -1.03% |
| 2010 | 62 | \$9.75 | \$606 | 0.99% | 0.35% | 13.11% |
| 2009 | 47 | \$8.62 | \$403 | 1.03% | 0.35% | 29.24% |
| 2008 | 56 | \$6.67 | \$371 | 1.89% | 0.35% | -38.18% |
| 2007 | 15 | \$10.79 | \$158 | (a) | 0.35% | (a) |
| ING Growth and Income Portfolio - Class I | | | | | | |
| 2011 | 47,467 | \$8.82 to \$308.39 | \$1,044,149 | 1.24% | 0.00% to 1.95% | -2.23% to -0.22% |
| 2010 | 52,699 | \$8.93 to \$312.14 | \$1,177,617 | 1.06% | 0.00% to 1.95% | 11.92% to 14.24% |
| 2009 | 53,908 | \$7.88 to \$276.06 | \$1,084,132 | 1.44% | 0.00% to 1.95% | 27.76% to 30.30% |
| 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% |
| ING Growth and Income Portfolio - Class S | | | | | | |
| 2011 | 737 | \$9.58 to \$13.95 | \$7,254 | 2.00% | 0.00% to 1.55% | -1.72% to -0.50% |
| 2010 | 141 | \$9.70 to \$14.09 | \$1,467 | 1.02% | 0.00% to 1.50% | 12.15% to 13.84% |
| 2009 | 97 | \$8.59 to \$12.43 | \$884 | 1.68% | 0.00% to 1.50% | 28.98% to 29.55% |
| 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 | (a) | 0.30% to 0.75% | (a) |
| ING GET U.S. Core Portfolio - Series 7 | | | | | | |
| 2011 | 94 | \$10.14 to \$10.50 | \$966 | 2.18% | 1.25% to 1.75% | -1.84% to -1.22% |
| 2010 | 135 | \$10.32 to \$10.79 | \$1,420 | 2.04% | 1.00% to 1.75% | 0.68% to 1.51% |
| 2009 | 165 | \$10.25 to \$10.63 | \$1,715 | 2.13% | 1.00% to 1.75% | -0.77% |
| 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% |
| ING GET U.S. Core Portfolio - Series 8 | | | | | | |
| 2011 | 33 | \$10.13 to \$10.14 | \$329 | 1.77% | 1.75% | -2.22% to -2.22% |
| 2010 | 34 | \$10.36 to \$10.37 | \$350 | 2.29% | 1.75% | 0.58% to 0.68% |
| 2009 | 34 | \$10.29 to \$10.30 | \$350 | 2.31% | 1.75% | 0.10% to 0.19% |
| 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% |

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|---|------------------|--|-----------------------|--|---|--|
| ING GET U.S. Core Portfolio - Series 9 | | | | | | |
| 2011 | 10 | \$10.24 | \$99 | 2.52% | 1.75% | -2.01% |
| 2010 | 13 | \$10.45 | \$139 | 2.14% | 1.75% | 1.95% |
| 2009 | 14 | \$10.25 | \$141 | 2.12% | 1.75% | -0.19% |
| 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% |
| ING GET U.S. Core Portfolio - Series 10 | | | | | | |
| 2011 | 5 | \$10.17 to \$10.18 | \$47 | 1.82% | 1.75% | -1.36% to -1.26% |
| 2010 | 6 | \$10.31 | \$63 | 3.05% | 1.75% | 2.28% |
| 2009 | 7 | \$10.08 | \$68 | 2.90% | 1.75% | -2.61% |
| 2008 | 7 | \$10.35 | \$70 | 2.74% | 1.75% | -5.48% |
| 2007 | 7 | \$10.95 | \$76 | 1.32% | 1.75% | 1.77% |
| ING GET U.S. Core Portfolio - Series 11 | | | | | | |
| 2011 | 3 | \$10.47 | \$31 | 3.23% | 1.75% | -0.95% to -0.85% |
| 2010 | 3 | \$10.56 to \$10.57 | \$31 | 3.23% | 1.75% | 3.02% to 3.02% |
| 2009 | 3 | \$10.25 to \$10.26 | \$31 | 3.17% | 1.75% | -2.57% to -2.47% |
| 2008 | 3 | \$10.52 | \$32 | 2.53% | 1.75% | -1.22% |
| 2007 | 4 | \$10.65 | \$47 | 4.26% | 1.75% | 0.28% |
| ING BlackRock Science and Technology Opportunities Portfolio - Adviser Class | | | | | | |
| 2011 | - | \$8.39 | \$2 | (e) | 0.35% | (e) |
| 2010 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2009 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2008 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| ING BlackRock Science and Technology Opportunities Portfolio - Class I | | | | | | |
| 2011 | 9,379 | \$4.46 to \$15.53 | \$45,758 | - | 0.00% to 1.50% | -11.86% to -10.44% |
| 2010 | 9,177 | \$5.06 to \$17.38 | \$50,430 | - | 0.00% to 1.90% | 16.36% to 18.65% |
| 2009 | 8,967 | \$4.33 to \$14.70 | \$42,053 | - | 0.00% to 1.90% | 49.80% to 52.74% |
| 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% |

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|---|------------------|--|-----------------------|--|---|--|
| ING Index Plus LargeCap Portfolio - Class I | | | | | | |
| 2011 | 15,065 | \$8.03 to \$21.65 | \$262,851 | 1.90% | 0.00% to 1.95% | -2.07% to -0.05% |
| 2010 | 16,582 | \$8.16 to \$21.66 | \$292,131 | 1.93% | 0.00% to 1.95% | 11.70% to 14.02% |
| 2009 | 18,196 | \$7.27 to \$19.01 | \$283,441 | 3.01% | 0.00% to 1.95% | 20.75% to 23.20% |
| 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% |
| ING Index Plus LargeCap Portfolio - Class S | | | | | | |
| 2011 | 37 | \$10.44 | \$383 | 1.64% | 0.35% | -0.76% |
| 2010 | 33 | \$10.52 | \$348 | 1.94% | 0.35% | 13.24% |
| 2009 | 40 | \$9.29 | \$375 | 2.57% | 0.35% | 22.56% |
| 2008 | 43 | \$7.58 | \$325 | 1.52% | 0.35% | -37.56% |
| 2007 | 28 | \$12.14 | \$334 | - | 0.35% | 4.39% |
| ING Index Plus MidCap Portfolio - Class I | | | | | | |
| 2011 | 12,437 | \$9.33 to \$26.58 | \$280,455 | 0.84% | 0.00% to 1.85% | -2.94% to -1.12% |
| 2010 | 13,426 | \$9.53 to \$26.88 | \$307,653 | 1.06% | 0.00% to 2.10% | 19.36% to 21.95% |
| 2009 | 14,483 | \$7.88 to \$22.05 | \$274,072 | 1.65% | 0.00% to 2.10% | 28.97% to 31.80% |
| 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% |
| ING Index Plus MidCap Portfolio - Class S | | | | | | |
| 2011 | 34 | \$11.36 | \$389 | 0.41% | 0.35% | -1.73% |
| 2010 | 51 | \$11.56 | \$590 | 0.94% | 0.35% | 21.05% |
| 2009 | 49 | \$9.55 | \$472 | 1.09% | 0.35% | 31.00% |
| 2008 | 36 | \$7.29 | \$260 | 1.33% | 0.35% | -37.90% |
| 2007 | 29 | \$11.74 | \$343 | 0.52% | 0.35% | 4.92% |
| ING Index Plus SmallCap Portfolio - Class I | | | | | | |
| 2011 | 6,805 | \$9.19 to \$19.30 | \$110,537 | 0.86% | 0.00% to 1.80% | -2.52% to -0.72% |
| 2010 | 7,455 | \$9.34 to \$19.44 | \$122,910 | 0.69% | 0.00% to 2.10% | 20.30% to 22.86% |
| 2009 | 7,647 | \$7.67 to \$15.83 | \$103,515 | 1.74% | 0.00% to 2.10% | 22.25% to 24.85% |
| 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% |

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| ING Index Plus SmallCap Portfolio - Class S | | | | | | |
| 2011 | 17 | \$10.53 | \$181 | 0.60% | 0.35% | -1.31% |
| 2010 | 14 | \$10.67 | \$154 | 0.72% | 0.35% | 22.08% |
| 2009 | 14 | \$8.74 | \$122 | 1.11% | 0.35% | 23.97% |
| 2008 | 8 | \$7.05 | \$58 | - | 0.35% | -33.86% |
| 2007 | 8 | \$10.66 | \$90 | - | 0.35% | -6.82% |
| ING International Index Portfolio - Class I | | | | | | |
| 2011 | 2,344 | \$6.77 to \$12.49 | \$17,553 | 2.70% | 0.00% to 1.80% | -13.76% to -12.20% |
| 2010 | 2,334 | \$7.85 to \$14.36 | \$20,151 | 3.45% | 0.00% to 1.80% | 6.27% to 8.01% |
| 2009 | 2,401 | \$7.43 to \$13.44 | \$19,407 | - | 0.00% to 1.60% | 26.18% to 27.56% |
| 2008 | 37 | \$5.92 to \$5.95 | \$220 | (b) | 0.30% to 1.25% | (b) |
| 2007 | (b) | (b) | (b) | (b) | (b) | (b) |
| ING International Index Portfolio - Class S | | | | | | |
| 2011 | 1 | \$11.98 | \$7 | - | 0.35% | -12.75% |
| 2010 | 1 | \$13.73 | \$13 | 6.25% | 0.35% | 7.27% |
| 2009 | 1 | \$12.80 | \$19 | (c) | 0.35% | (c) |
| 2008 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2007 | (c) | (c) | (c) | (c) | (c) | (c) |
| ING Russell TM Large Cap Growth Index Portfolio - Class I | | | | | | |
| 2011 | 367 | \$14.28 to \$14.86 | \$5,308 | 1.31% | 0.00% to 1.50% | 2.66% to 4.21% |
| 2010 | 274 | \$13.91 to \$14.26 | \$3,841 | 0.64% | 0.00% to 1.50% | 11.10% to 12.82% |
| 2009 | 221 | \$12.47 to \$12.76 | \$2,772 | (c) | 0.00% to 1.50% | (c) |
| 2008 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2007 | (c) | (c) | (c) | (c) | (c) | (c) |
| ING Russell TM Large Cap Growth Index Portfolio - Class S | | | | | | |
| 2011 | 41 | \$14.06 to \$14.63 | \$581 | 1.10% | 0.00% to 1.35% | 2.52% to 3.87% |
| 2010 | 37 | \$13.60 to \$14.12 | \$508 | 0.46% | 0.00% to 1.35% | 10.94% to 12.47% |
| 2009 | 29 | \$12.15 to \$12.60 | \$353 | (c) | 0.00% to 1.35% | (c) |
| 2008 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2007 | (c) | (c) | (c) | (c) | (c) | (c) |

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|---|------------------|--|-----------------------|--|---|--|
| ING Russell TM Large Cap Index Portfolio - Class I | | | | | | |
| 2011 | 1,513 | \$8.96 to \$9.51 | \$13,923 | 1.53% | 0.00% to 1.80% | 0.79% to 2.59% |
| 2010 | 1,295 | \$8.89 to \$9.27 | \$11,717 | 3.25% | 0.00% to 1.80% | 10.48% to 12.23% |
| 2009 | 1,190 | \$8.06 to \$8.27 | \$9,692 | - | 0.00% to 1.60% | 21.90% to 23.65% |
| 2008 | 403 | \$6.62 to \$6.68 | \$2,675 | (b) | 0.00% to 1.45% | (b) |
| 2007 | (b) | (b) | (b) | (b) | (b) | (b) |
| ING Russell TM Large Cap Index Portfolio - Class S | | | | | | |
| 2011 | 1 | \$14.33 | \$9 | - | 0.95% | 1.20% |
| 2010 | 1 | \$14.16 | \$10 | (d) | 0.95% | (d) |
| 2009 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2008 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2007 | (d) | (d) | (d) | (d) | (d) | (d) |
| ING Russell TM Large Cap Value Index Portfolio - Class I | | | | | | |
| 2011 | 14 | \$12.98 to \$13.01 | \$184 | 1.22% | 1.15% to 1.25% | -0.38% to -0.31% |
| 2010 | 11 | \$13.03 to \$13.05 | \$145 | 1.79% | 1.15% to 1.25% | 9.96% to 10.03% |
| 2009 | 7 | \$11.85 to \$11.86 | \$79 | (c) | 1.15% to 1.25% | (c) |
| 2008 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2007 | (c) | (c) | (c) | (c) | (c) | (c) |
| ING Russell TM Large Cap Value Index Portfolio - Class S | | | | | | |
| 2011 | 215 | \$12.81 to \$13.33 | \$2,795 | 1.56% | 0.00% to 1.50% | -0.93% to 0.60% |
| 2010 | 180 | \$12.93 to \$13.25 | \$2,346 | 1.44% | 0.00% to 1.50% | 9.48% to 11.16% |
| 2009 | 165 | \$11.81 to \$11.92 | \$1,952 | (c) | 0.00% to 1.50% | (c) |
| 2008 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2007 | (c) | (c) | (c) | (c) | (c) | (c) |
| ING Russell TM Mid Cap Growth Index Portfolio - Class S | | | | | | |
| 2011 | 335 | \$15.29 to \$15.91 | \$5,207 | 0.45% | 0.00% to 1.50% | -3.65% to -2.15% |
| 2010 | 291 | \$15.87 to \$16.26 | \$4,652 | 0.29% | 0.00% to 1.50% | 23.98% to 25.85% |
| 2009 | 237 | \$12.80 to \$12.92 | \$3,049 | (c) | 0.00% to 1.50% | (c) |
| 2008 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2007 | (c) | (c) | (c) | (c) | (c) | (c) |

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|---|------------------|--|-----------------------|--|---|--|
| ING Russell TM Mid Cap Index Portfolio - Class I | | | | | | |
| 2011 | 786 | \$9.62 to \$10.27 | \$7,784 | 1.25% | 0.00% to 1.80% | -3.61% to -2.12% |
| 2010 | 638 | \$9.98 to \$10.40 | \$6,503 | 0.52% | 0.25% to 1.80% | 23.31% to 25.00% |
| 2009 | 433 | \$8.15 to \$8.36 | \$3,562 | - | 0.00% to 1.50% | 38.41% to 40.27% |
| 2008 | 224 | \$5.91 to \$5.96 | \$1,329 | (b) | 0.00% to 1.25% | (b) |
| 2007 | (b) | (b) | (b) | (b) | (b) | (b) |
| ING Russell TM Small Cap Index Portfolio - Class I | | | | | | |
| 2011 | 648 | \$10.09 to \$10.77 | \$6,728 | 0.90% | 0.00% to 1.80% | -5.61% to -3.93% |
| 2010 | 482 | \$10.69 to \$11.21 | \$5,262 | 0.47% | 0.00% to 1.80% | 24.51% to 26.16% |
| 2009 | 225 | \$8.65 to \$8.83 | \$1,962 | - | 0.25% to 1.50% | 24.78% to 26.32% |
| 2008 | 91 | \$6.94 to \$6.99 | \$635 | (b) | 0.25% to 1.40% | (b) |
| 2007 | (b) | (b) | (b) | (b) | (b) | (b) |
| ING Small Company Portfolio - Class I | | | | | | |
| 2011 | 4,827 | \$9.95 to \$33.68 | \$116,910 | 0.40% | 0.00% to 1.50% | -3.94% to -2.48% |
| 2010 | 5,153 | \$10.30 to \$34.54 | \$129,660 | 0.52% | 0.00% to 1.50% | 22.55% to 24.44% |
| 2009 | 5,202 | \$8.35 to \$27.77 | \$107,672 | 0.61% | 0.00% to 1.50% | 25.65% to 27.62% |
| 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% |
| ING Small Company Portfolio - Class S | | | | | | |
| 2011 | 14 | \$12.94 | \$184 | - | 0.35% | -3.00% |
| 2010 | 11 | \$13.34 | \$149 | - | 0.35% | 23.52% |
| 2009 | 11 | \$10.80 | \$118 | 0.92% | 0.35% | 26.76% |
| 2008 | 12 | \$8.52 | \$100 | 1.07% | 0.35% | -31.46% |
| 2007 | 7 | \$12.43 | \$87 | - | 0.35% | 5.34% |
| ING U.S. Bond Index Portfolio - Class I | | | | | | |
| 2011 | 794 | \$11.71 to \$12.37 | \$9,456 | 2.02% | 0.00% to 1.50% | 5.58% to 7.19% |
| 2010 | 477 | \$11.09 to \$11.54 | \$5,363 | 2.67% | 0.00% to 1.55% | 4.52% to 6.16% |
| 2009 | 368 | \$10.61 to \$10.87 | \$3,932 | 2.62% | 0.00% to 1.50% | 4.32% to 5.84% |
| 2008 | 153 | \$10.17 to \$10.27 | \$1,559 | (b) | 0.00% to 1.50% | (b) |
| 2007 | (b) | (b) | (b) | (b) | (b) | (b) |

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| ING International Value Portfolio - Class I | | | | | | |
| 2011 | 5,279 | \$6.14 to \$12.70 | \$62,017 | 2.61% | 0.00% to 1.55% | -16.21% to -14.84% |
| 2010 | 6,060 | \$7.28 to \$15.07 | \$84,378 | 2.04% | 0.00% to 1.70% | 0.73% to 2.49% |
| 2009 | 7,742 | \$7.16 to \$14.85 | \$105,099 | 1.56% | 0.00% to 1.70% | 25.00% to 27.22% |
| 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% |
| ING International Value Portfolio - Class S | | | | | | |
| 2011 | 22 | \$9.40 | \$210 | 2.54% | 0.35% | -15.24% |
| 2010 | 24 | \$11.09 | \$263 | 1.83% | 0.35% | 1.93% |
| 2009 | 26 | \$10.88 | \$283 | 1.51% | 0.35% | 25.78% |
| 2008 | 29 | \$8.65 | \$248 | 3.02% | 0.35% | -42.52% |
| 2007 | 32 | \$15.05 | \$480 | 1.48% | 0.35% | 12.65% |
| ING MidCap Opportunities Portfolio - Class I | | | | | | |
| 2011 | 1,972 | \$11.38 to \$19.31 | \$32,603 | - | 0.00% to 1.50% | -1.94% to -0.51% |
| 2010 | 1,410 | \$11.54 to \$18.47 | \$23,611 | 0.72% | 0.00% to 1.50% | 28.37% to 30.35% |
| 2009 | 998 | \$8.92 to \$14.17 | \$12,935 | 0.21% | 0.00% to 1.50% | 39.29% to 41.60% |
| 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% |
| ING MidCap Opportunities Portfolio - Class S | | | | | | |
| 2011 | 164 | \$12.00 to \$15.64 | \$2,056 | - | 0.00% to 1.35% | -2.12% to -0.97% |
| 2010 | 198 | \$12.22 to \$15.81 | \$2,514 | 0.57% | 0.15% to 1.75% | 29.48% |
| 2009 | 23 | \$12.21 | \$276 | - | 0.35% | 40.51% |
| 2008 | 12 | \$8.69 | \$108 | - | 0.35% | -37.93% |
| 2007 | 5 | \$14.00 | \$70 | - | 0.35% | 25.00% |
| ING SmallCap Opportunities Portfolio - Class I | | | | | | |
| 2011 | 1,989 | \$10.26 to \$17.18 | \$21,998 | - | 0.20% to 1.50% | -0.68% to 0.60% |
| 2010 | 1,873 | \$10.33 to \$17.09 | \$20,701 | - | 0.00% to 1.50% | 30.43% to 32.13% |
| 2009 | 1,414 | \$7.92 to \$12.81 | \$11,898 | - | 0.00% to 1.50% | 28.99% to 31.05% |
| 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% |

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| ING SmallCap Opportunities Portfolio - Class S | | | | | | |
| 2011 | 6 | \$14.08 | \$86 | - | 0.35% | 0.14% |
| 2010 | 15 | \$14.06 | \$213 | - | 0.35% | 31.65% |
| 2009 | 6 | \$10.68 | \$60 | - | 0.35% | 30.24% |
| 2008 | 6 | \$8.20 | \$47 | - | 0.35% | -34.82% |
| 2007 | 1 | \$12.58 | \$17 | - | 0.35% | 9.39% |
| Invesco Mid Cap Core Equity Fund - Class A | | | | | | |
| 2011 | 371 | \$12.54 to \$15.49 | \$4,891 | - | 0.00% to 1.70% | -7.81% to -6.25% |
| 2010 | 361 | \$13.57 to \$16.69 | \$5,115 | 0.08% | 0.00% to 1.70% | 10.66% to 12.54% |
| 2009 | 179 | \$12.24 to \$14.98 | \$2,312 | 0.16% | 0.00% to 1.60% | 28.13% to 29.73% |
| 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% |
| Invesco Small Cap Growth Fund - Class A | | | | | | |
| 2011 | 2 | \$14.15 | \$32 | - | 1.00% | -2.28% |
| 2010 | 3 | \$14.48 | \$42 | - | 1.00% | 25.04% |
| 2009 | 3 | \$11.58 | \$31 | - | 1.00% | 33.26% |
| 2008 | 2 | \$8.69 | \$20 | - | 1.00% | -39.40% |
| 2007 | 2 | \$14.34 | \$34 | - | 1.00% | 10.22% |
| Invesco Endeavor Fund - Class A | | | | | | |
| 2011 | - | \$12.26 | - | (e) | 0.75% | (e) |
| 2010 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2009 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2008 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| Invesco Global Health Care Fund - Investor Class | | | | | | |
| 2011 | 5 | \$32.54 to \$34.72 | \$176 | 0.56% | 0.50% to 1.50% | 3.00% to 3.49% |
| 2010 | 6 | \$31.62 to \$33.40 | \$183 | - | 0.55% to 1.55% | 3.00% to 4.05% |
| 2009 | 5 | \$30.63 to \$32.10 | \$164 | - | 0.55% to 1.60% | 25.43% to 26.73% |
| 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% |

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|--|------------------|--|-----------------------|--|---|--|
| Invesco Van Kampen Small Cap Value Fund - Class A | | | | | | |
| 2011 | 5 | \$14.69 to \$15.27 | \$82 | - | 0.30% to 1.75% | -9.82% to -8.45% |
| 2010 | 7 | \$16.29 to \$16.68 | \$120 | - | 0.30% to 1.75% | - |
| 2009 | 6 | \$12.91 | \$72 | (c) | 0.45% | (c) |
| 2008 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2007 | (c) | (c) | (c) | (c) | (c) | (c) |
| Invesco Van Kampen Small Cap Value Fund - Class Y | | | | | | |
| 2011 | 1,024 | \$8.62 | \$8,827 | (e) | - | (e) |
| 2010 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2009 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2008 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| Invesco V.I. Capital Appreciation Fund - Series I Shares | | | | | | |
| 2011 | 2,403 | \$4.94 to \$10.14 | \$19,001 | 0.15% | 0.00% to 1.50% | -9.24% to -7.92% |
| 2010 | 2,569 | \$5.44 to \$11.10 | \$22,362 | 0.72% | 0.00% to 1.50% | 13.80% to 15.56% |
| 2009 | 2,705 | \$4.78 to \$9.73 | \$20,643 | 0.61% | 0.00% to 1.50% | 19.20% to 21.14% |
| 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% |
| Invesco V.I. Core Equity Fund - Series I Shares | | | | | | |
| 2011 | 3,494 | \$8.08 to \$14.19 | \$34,790 | 0.97% | 0.00% to 1.95% | -2.01% |
| 2010 | 3,820 | \$8.17 to \$14.12 | \$38,408 | 0.94% | 0.00% to 1.95% | 7.44% to 9.68% |
| 2009 | 4,159 | \$7.53 to \$12.96 | \$38,603 | 1.79% | 0.00% to 1.95% | 25.79% to 28.38% |
| 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% |
| Janus Aspen Series Balanced Portfolio - Institutional Shares | | | | | | |
| 2011 | 4 | \$22.71 to \$35.79 | \$151 | 2.55% | 0.40% to 1.40% | 0.23% to 1.11% |
| 2010 | 7 | \$22.50 to \$35.55 | \$242 | 2.78% | 0.50% to 1.40% | 6.87% to 7.87% |
| 2009 | 8 | \$20.91 to \$33.21 | \$261 | 6.84% | 0.50% to 1.45% | 24.06% to 25.25% |
| 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% |

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|---|------------------|--|-----------------------|--|---|--|
| Janus Aspen Series Enterprise Portfolio - Institutional Shares | | | | | | |
| 2011 | 11 | \$19.05 to \$30.67 | \$322 | - | 0.40% to 1.50% | -2.91% to -1.84% |
| 2010 | 12 | \$19.46 to \$31.51 | \$363 | - | 0.45% to 1.50% | 24.01% to 25.27% |
| 2009 | 14 | \$15.57 to \$25.35 | \$327 | - | 0.30% to 1.50% | 42.60% to 44.34% |
| 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% |
| Janus Aspen Series Flexible Bond Portfolio - Institutional Shares | | | | | | |
| 2011 | 2 | \$20.09 to \$29.46 | \$65 | 7.63% | 0.50% to 1.50% | 5.15% to 6.19% |
| 2010 | 3 | \$18.80 to \$27.94 | \$66 | 3.13% | 0.50% to 1.50% | 6.38% to 7.47% |
| 2009 | 3 | \$17.63 to \$26.20 | \$62 | 5.00% | 0.50% to 1.50% | 11.54% to 12.63% |
| 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% |
| Janus Aspen Series Janus Portfolio - Institutional Shares | | | | | | |
| 2011 | 4 | \$8.54 to \$21.31 | \$57 | - | 0.50% to 1.40% | -6.62% to -5.81% |
| 2010 | 5 | \$9.10 to \$22.41 | \$82 | 1.20% | 0.50% to 1.40% | 12.89% to 14.00% |
| 2009 | 5 | \$8.02 to \$19.82 | \$84 | - | 0.50% to 1.40% | 34.49% to 35.62% |
| 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% |
| Janus Aspen Series Worldwide Portfolio - Institutional Shares | | | | | | |
| 2011 | 6 | \$10.15 to \$19.68 | \$114 | 0.72% | 0.40% to 1.50% | -15.03% to -14.08% |
| 2010 | 8 | \$11.85 to \$23.10 | \$164 | 0.60% | 0.45% to 1.50% | 14.08% to 15.28% |
| 2009 | 10 | \$10.30 to \$20.19 | \$172 | 1.23% | 0.45% to 1.50% | 35.65% to 37.13% |
| 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% |
| Lazard U.S. Mid Cap Equity Portfolio - Open Shares | | | | | | |
| 2011 | 452 | \$8.09 to \$9.13 | \$3,793 | 0.03% | 0.00% to 1.50% | -7.22% to -5.86% |
| 2010 | 287 | \$8.72 to \$9.70 | \$2,566 | 0.86% | 0.00% to 1.50% | 21.28% to 23.10% |
| 2009 | 159 | \$7.19 to \$7.49 | \$1,162 | 0.77% | 0.00% to 1.50% | 36.53% to 38.19% |
| 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 | (a) | 0.00% to 1.25% | (a) |

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|--|------------------|--|-----------------------|--|---|--|
| LKCM Aquinas Growth Fund | | | | | | |
| 2011 | 29 | \$10.05 | \$291 | - | 0.90% | 0.60% |
| 2010 | 28 | \$9.99 to \$11.93 | \$316 | - | 0.90% to 1.05% | 15.32% to 15.49% |
| 2009 | 27 | \$8.65 to \$10.34 | \$269 | - | 0.90% to 1.05% | 28.71% |
| 2008 | 26 | \$8.01 | \$206 | - | 1.05% | -33.80% |
| 2007 | 19 | \$12.10 | \$236 | - | 1.05% | 0.08% |
| Loomis Sayles Small Cap Value Fund - Retail Class | | | | | | |
| 2011 | 668 | \$10.75 to \$11.35 | \$7,314 | - | 0.00% to 1.50% | -3.24% to -1.82% |
| 2010 | 413 | \$11.11 to \$11.56 | \$4,646 | 0.50% | 0.00% to 1.50% | 22.90% to 24.70% |
| 2009 | 276 | \$9.04 to \$9.27 | \$2,518 | 0.18% | 0.00% to 1.50% | 26.61% to 28.19% |
| 2008 | 126 | \$7.14 to \$7.20 | \$905 | (b) | 0.25% to 1.50% | (b) |
| 2007 | (b) | (b) | (b) | (b) | (b) | (b) |
| Lord Abbett Developing Growth Fund, Inc. - Class A | | | | | | |
| 2011 | 5 | \$13.96 to \$14.26 | \$77 | - | 0.55% to 1.65% | -2.55% |
| 2010 | 1 | \$14.51 to \$14.57 | \$19 | (d) | 0.60% to 1.05% | (d) |
| 2009 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2008 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2007 | (d) | (d) | (d) | (d) | (d) | (d) |
| Lord Abbett Core Fixed Income Fund - Class A | | | | | | |
| 2011 | 5 | \$10.52 to \$10.61 | \$51 | 3.64% | 0.90% to 1.45% | 3.93% |
| 2010 | - | \$10.17 | \$4 | (d) | 1.15% | (d) |
| 2009 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2008 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2007 | (d) | (d) | (d) | (d) | (d) | (d) |
| Lord Abbett Mid-Cap Value Fund, Inc. - Class A | | | | | | |
| 2011 | 102 | \$11.90 to \$15.01 | \$1,343 | 0.14% | 0.55% to 1.75% | -5.63% to -4.54% |
| 2010 | 106 | \$12.61 to \$15.79 | \$1,451 | 0.40% | 0.60% to 1.75% | 23.39% to 24.77% |
| 2009 | 96 | \$10.13 to \$12.70 | \$1,054 | 0.67% | 0.60% to 1.90% | 24.29% to 25.89% |
| 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% |

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|---|------------------|--|-----------------------|--|---|--|
| Lord Abnett Small-Cap Value Fund - Class A | | | | | | |
| 2011 | 63 | \$17.03 to \$18.50 | \$1,138 | - | 0.55% to 1.60% | -6.12% to -5.20% |
| 2010 | 92 | \$18.14 to \$19.44 | \$1,751 | - | 0.60% to 1.60% | 24.25% to 25.50% |
| 2009 | 88 | \$14.56 to \$15.49 | \$1,330 | - | 0.60% to 1.65% | 27.72% to 28.98% |
| 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% |
| Lord Abnett Fundamental Equity Fund - Class A | | | | | | |
| 2011 | 4 | \$11.52 to \$11.85 | \$45 | (e) | 0.20% to 1.65% | (e) |
| 2010 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2009 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2008 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| Lord Abnett Series Fund - Mid-Cap Value Portfolio - Class VC | | | | | | |
| 2011 | 6,523 | \$8.50 to \$16.51 | \$90,948 | 0.21% | 0.00% to 1.50% | -5.45% to -4.07% |
| 2010 | 6,716 | \$8.93 to \$17.37 | \$98,339 | 0.38% | 0.00% to 1.50% | 23.52% to 25.52% |
| 2009 | 7,527 | \$7.18 to \$13.99 | 88200 | 0.47% | 0.00% to 1.50% | 24.74% to 26.56% |
| 2008 | 8,061 | \$5.71 to \$11.16 | 75150 | 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% |
| Massachusetts Investors Growth Stock Fund - Class A | | | | | | |
| 2011 | 33 | \$12.20 to \$12.95 | \$428 | 0.50% | 0.60% to 1.35% | 0.16% to 0.55% |
| 2010 | 29 | \$12.33 to \$12.81 | \$371 | 0.60% | 0.65% to 1.20% | 12.81% to 13.46% |
| 2009 | 26 | \$10.93 to \$11.29 | \$297 | 0.30% | 0.65% to 1.20% | 38.71% to 39.56% |
| 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% |
| Neuberger Berman Genesis Fund® - Trust Class | | | | | | |
| 2011 | 5 | \$11.99 to \$12.15 | \$66 | (e) | 0.85% to 1.80% | (e) |
| 2010 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2009 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2008 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |

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| Neuberger Berman Socially Responsive Fund® - Trust Class | | | | | | |
| 2011 | 1,002 | \$9.22 to \$10.81 | \$10,377 | 0.73% | 0.00% to 1.90% | -4.81% to -3.07% |
| 2010 | 660 | \$9.77 to \$11.18 | \$7,130 | 0.20% | 0.00% to 1.90% | 20.44% to 22.19% |
| 2009 | 424 | \$8.71 to \$9.22 | \$3,772 | 0.44% | 0.00% to 1.70% | 28.30% to 30.41% |
| 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% |
| New Perspective Fund®, Inc. - Class R-3 | | | | | | |
| 2011 | 236 | \$13.33 to \$15.07 | 3477 | 0.67% | 0.00% to 1.55% | -9.32% to -7.89% |
| 2010 | 266 | \$14.70 to \$16.36 | \$4,250 | 0.76% | 0.00% to 1.55% | 10.61% to 12.36% |
| 2009 | 272 | \$13.29 to \$14.56 | \$3,881 | 1.16% | 0.00% to 1.55% | 35.19% to 37.10% |
| 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% |
| New Perspective Fund®, Inc. - Class R-4 | | | | | | |
| 2011 | 4,619 | \$8.77 to \$15.69 | 67062 | 1.04% | 0.00% to 1.50% | -8.98% to -7.65% |
| 2010 | 4,588 | \$9.50 to \$16.99 | 72675 | 1.13% | 0.00% to 1.50% | 11.05% to 12.74% |
| 2009 | 4,201 | \$8.34 to \$15.07 | \$59,419 | 1.48% | 0.00% to 1.50% | 35.41% to 37.52% |
| 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% |
| Oppenheimer Capital Appreciation Fund - Class A | | | | | | |
| 2011 | 39 | \$10.05 to \$10.62 | \$400 | 0.23% | 0.60% to 1.30% | -2.80% to -2.12% |
| 2010 | 43 | \$10.23 to \$10.85 | 456 | - | 0.60% to 1.45% | 7.57% to 8.50% |
| 2009 | 55 | \$9.46 to \$10.03 | 538 | - | 0.55% to 1.55% | 41.41% to 42.67% |
| 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% |
| Oppenheimer Developing Markets Fund - Class A | | | | | | |
| 2011 | 4,737 | \$9.42 to \$70.71 | \$259,497 | 1.67% | 0.00% to 1.75% | -19.52% to -18.09% |
| 2010 | 4,842 | \$11.61 to \$86.33 | \$325,715 | 0.15% | 0.00% to 1.95% | 24.54% to 26.97% |
| 2009 | 4,581 | \$9.22 to \$67.99 | 241957 | 0.54% | 0.00% to 1.95% | 78.72% to 81.84% |
| 2008 | 3,873 | \$5.11 to \$37.41 | 114355 | 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% |

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| Oppenheimer Gold & Special Minerals Fund - Class A | | | | | | |
| 2011 | 1 | \$12.79 to \$12.89 | \$7 | - | 0.80% to 1.20% | - |
| 2010 | 2 | \$17.52 | \$38 | (d) | 0.60% | (d) |
| 2009 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2008 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2007 | (d) | (d) | (d) | (d) | (d) | (d) |
| Oppenheimer International Bond Fund - Class A | | | | | | |
| 2011 | 13 | \$10.50 to \$10.65 | \$134 | 6.49% | 0.80% to 1.55% | -1.77% to -1.12% |
| 2010 | 5 | \$10.71 to \$10.76 | \$52 | (d) | 0.85% to 1.45% | (d) |
| 2009 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2008 | (d) | (d) | (d) | (d) | (d) | (d) |
| 2007 | (d) | (d) | (d) | (d) | (d) | (d) |
| Oppenheimer Global Securities/VA | | | | | | |
| 2011 | 10 | \$12.73 to \$23.58 | \$207 | 1.23% | 0.40% to 1.80% | -9.97% to -8.76% |
| 2010 | 12 | \$14.14 to \$25.57 | \$281 | 1.44% | 0.50% to 1.80% | 13.94% to 15.39% |
| 2009 | 13 | \$12.41 to \$22.16 | \$273 | 2.31% | 0.50% to 1.80% | 37.28% to 39.11% |
| 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% |
| Oppenheimer Global Strategic Income Fund/VA | | | | | | |
| 2011 | 5 | \$18.36 to \$20.08 | 106 | 3.67% | 0.60% to 1.25% | -0.38% to 0.25% |
| 2010 | 6 | \$18.43 to \$20.15 | \$112 | 8.33% | 0.55% to 1.25% | 13.56% to 14.33% |
| 2009 | 6 | \$15.86 to \$17.63 | \$104 | 0.96% | 0.55% to 1.45% | 17.13% to 18.24% |
| 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% |
| Oppenheimer Main Street Fund®/VA | | | | | | |
| 2011 | 8 | \$8.52 to \$9.69 | 65 | 1.44% | 1.25% to 1.50% | -1.50% to -1.32% |
| 2010 | 8 | \$8.65 to \$9.82 | 74 | 1.37% | 1.25% to 1.50% | 14.27% to 14.72% |
| 2009 | 9 | \$7.57 to \$8.56 | \$72 | 1.48% | 1.25% to 1.50% | 26.38% to 26.63% |
| 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% |

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| Oppenheimer Main Street Small- & Mid-Cap Fund®/VA | | | | | | |
| 2011 | 711 | \$9.46 to \$14.76 | \$9,234 | 0.64% | 0.00% to 1.50% | -3.62% to -2.21% |
| 2010 | 763 | \$9.76 to \$15.25 | 10224 | 0.59% | 0.00% to 1.50% | 21.54% to 23.33% |
| 2009 | 737 | \$7.97 to \$12.48 | 8067 | 0.75% | 0.00% to 1.50% | 35.19% to 37.31% |
| 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% |
| Oppenheimer Small- & Mid-Cap Growth Fund/VA | | | | | | |
| 2011 | 2 | \$4.51 to \$9.06 | \$11 | - | 1.25% to 1.50% | -0.44% to -0.11% |
| 2010 | 3 | \$4.53 to \$9.07 | \$15 | - | 1.25% to 1.50% | 25.48% to 25.80% |
| 2009 | 3 | \$3.61 to \$7.21 | 15 | - | 1.25% to 1.50% | 30.80% to 31.09% |
| 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% |
| Parnassus Equity Income Fund - Investor Shares | | | | | | |
| 2011 | 3 | \$14.03 | \$42 | (e) | 1.25% | (e) |
| 2010 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2009 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2008 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| Pax World Balanced Fund - Individual Investor Class | | | | | | |
| 2011 | 4,035 | \$8.96 to \$13.16 | \$47,486 | 1.30% | 0.00% to 1.60% | -3.31% to -1.79% |
| 2010 | 4,354 | \$9.21 to \$13.40 | \$52,720 | 1.48% | 0.00% to 1.65% | 10.10% to 11.85% |
| 2009 | 4,954 | \$8.30 to \$11.98 | \$54,186 | 1.67% | 0.00% to 1.65% | 19.28% to 21.42% |
| 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 | 59458 | 1.79% | 0.00% to 1.75% | 7.49% to 9.16% |
| PIMCO Real Return Portfolio - Administrative Class | | | | | | |
| 2011 | 13,442 | \$13.30 to \$16.43 | \$201,912 | 5.14% | 0.00% to 1.60% | 9.90% to 11.69% |
| 2010 | 11,633 | \$12.01 to \$14.71 | \$158,235 | 1.44% | 0.00% to 1.65% | 6.40% to 8.25% |
| 2009 | 8,873 | \$11.20 to \$13.61 | \$112,730 | 2.96% | 0.00% to 1.65% | 16.42% to 18.41% |
| 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% |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| | 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) |
|--|------------------|--|-----------------------|--|---|--|
| Pioneer High Yield Fund - Class A | | | | | | |
| 2011 | 303 | \$13.09 to \$14.80 | 4359 | 5.30% | 0.20% to 1.75% | -3.47% to -1.92% |
| 2010 | 338 | \$13.37 to \$15.09 | \$4,956 | 5.25% | 0.20% to 1.95% | 15.26% to 17.34% |
| 2009 | 373 | \$11.60 to \$12.86 | \$4,675 | 6.97% | 0.20% to 1.95% | 59.16% to 61.76% |
| 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% |
| Pioneer Strategic Income Fund - Class A | | | | | | |
| 2011 | 22 | \$10.98 to \$11.16 | \$248 | (e) | 0.20% to 1.05% | (e) |
| 2010 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2009 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2008 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| Pioneer Emerging Markets VCT Portfolio - Class I | | | | | | |
| 2011 | 2,217 | \$6.23 to \$8.32 | \$17,672 | 0.28% | 0.00% to 1.60% | -24.59% to -23.35% |
| 2010 | 2,736 | \$8.20 to \$10.86 | \$28,736 | 0.46% | 0.00% to 1.65% | 14.02% to 16.03% |
| 2009 | 3,007 | \$7.13 to \$9.37 | \$27,443 | 1.14% | 0.00% to 1.70% | 71.95% to 74.81% |
| 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 | (a) | 0.00% to 1.50% | (a) |
| Pioneer High Yield VCT Portfolio - Class I | | | | | | |
| 2011 | 1,673 | \$11.51 to \$14.89 | \$23,415 | 5.53% | 0.00% to 1.50% | -3.16% to -1.66% |
| 2010 | 1,601 | \$11.81 to \$15.12 | \$22,990 | 5.40% | 0.00% to 1.50% | 16.30% to 18.06% |
| 2009 | 1,618 | \$10.08 to \$13.03 | \$19,842 | 7.77% | 0.00% to 1.50% | 57.99% to 60.47% |
| 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% |
| Pioneer Mid Cap Value VCT Portfolio - Class I | | | | | | |
| 2011 | - | \$16.48 | - | (e) | 0.75% | (e) |
| 2010 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2009 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2008 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2007 | (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 Diversified Equity Income Fund - Class R-3 | | | | | | |
| 2011 | 8 | \$8.40 to \$8.60 | \$68 | 0.88% | 0.15% to 0.80% | -6.25% to -5.70% |
| 2010 | 18 | \$8.96 to \$9.12 | \$160 | 1.02% | 0.15% to 0.80% | 15.13% to 15.17% |
| 2009 | 30 | \$7.74 to \$7.85 | \$233 | (c) | 0.25% to 1.10% | (c) |
| 2008 | (c) | (c) | (c) | (c) | (c) | (c) |
| 2007 | (c) | (c) | (c) | (c) | (c) | (c) |
| Columbia Diversified Equity Income Fund - Class R-4 | | | | | | |
| 2011 | 691 | \$8.28 to \$8.74 | \$5,863 | 1.73% | 0.00% to 1.50% | -6.44% to -5.10% |
| 2010 | 592 | \$8.85 to \$9.21 | \$5,329 | 1.33% | 0.00% to 1.50% | 14.49% to 16.29% |
| 2009 | 413 | \$7.73 to \$7.92 | \$3,222 | 2.01% | 0.00% to 1.50% | 25.49% to 27.05% |
| 2008 | 237 | \$6.16 to \$6.21 | \$1,464 | (b) | 0.25% to 1.50% | (b) |
| 2007 | (b) | (b) | (b) | (b) | (b) | (b) |
| Royce Total Return Fund - Class K | | | | | | |
| 2011 | - | \$12.31 | - | (e) | 1.30% | (e) |
| 2010 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2009 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2008 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| SMALLCAP World Fund® - Class R-4 | | | | | | |
| 2011 | 764 | \$8.55 to \$9.03 | \$6,672 | 0.38% | 0.00% to 1.50% | -15.60% to -14.33% |
| 2010 | 681 | \$10.13 to \$10.54 | \$6,996 | 1.98% | 0.00% to 1.50% | 23.09% to 24.88% |
| 2009 | 325 | \$8.23 to \$8.44 | \$2,698 | 1.34% | 0.00% to 1.50% | 51.29% to 53.28% |
| 2008 | 80 | \$5.44 to \$5.48 | \$434 | (b) | 0.25% to 1.50% | (b) |
| 2007 | (b) | (b) | (b) | (b) | (b) | (b) |
| T. Rowe Price Mid-Cap Value Fund - R Class | | | | | | |
| 2011 | 42 | \$14.15 to \$15.55 | \$625 | 0.42% | 0.10% to 1.30% | -6.48% to -5.41% |
| 2010 | 51 | \$15.13 to \$16.44 | \$803 | 1.11% | 0.10% to 1.30% | 14.36% to 15.77% |
| 2009 | 73 | \$13.23 to \$14.20 | \$999 | 0.82% | 0.10% to 1.30% | 44.12% to 45.46% |
| 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% |

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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 | | | | | | |
| 2011 | 17 | \$10.23 | \$173 | 1.19% | 1.00% | -3.13% |
| 2010 | 15 | \$10.56 | \$163 | 2.21% | 1.00% | 14.66% |
| 2009 | 12 | \$9.21 | \$109 | 2.61% | 1.00% | 35.64% |
| 2008 | 6 | \$6.79 | \$44 | 1.90% | 1.00% | -40.44% |
| 2007 | 5 | \$11.40 | \$61 | 2.20% | 1.00% | -0.44% |
| Templeton Foreign Fund - Class A | | | | | | |
| 2011 | 84 | \$11.94 to \$13.34 | \$1,088 | 2.74% | 0.35% to 1.75% | -14.22% to -13.04% |
| 2010 | 74 | \$13.92 to \$15.34 | \$1,103 | 1.69% | 0.35% to 1.75% | 6.58% to 7.92% |
| 2009 | 84 | \$13.06 to \$14.02 | \$1,146 | 1.77% | 0.55% to 1.75% | 47.07% to 48.99% |
| 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% |
| Templeton Global Bond Fund - Class A | | | | | | |
| 2011 | 9,995 | \$9.37 to \$30.30 | \$209,387 | 6.17% | 0.95% to 1.50% | -3.81% to -2.38% |
| 2010 | 9,629 | \$13.96 to \$31.04 | \$207,794 | 5.51% | 0.00% to 1.50% | 10.99% to 12.71% |
| 2009 | 8,132 | \$12.49 to \$27.54 | \$155,610 | 4.38% | 0.00% to 1.50% | 17.11% to 18.86% |
| 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% |
| Thornburg International Value Fund - Class R4 | | | | | | |
| 2011 | 5 | \$10.28 to \$10.31 | \$55 | (e) | 0.60% to 0.75% | (e) |
| 2010 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2009 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2008 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| USAA Precious Metals and Minerals Fund - Adviser Shares | | | | | | |
| 2011 | 552 | \$8.71 to \$8.80 | \$4,823 | (e) | 0.00% to 1.50% | (e) |
| 2010 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2009 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2008 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |

**VARIABLE ANNUITY ACCOUNT C OF
ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| | 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) |
|--|------------------|--|-----------------------|--|---|--|
| Diversified Value Portfolio | | | | | | |
| 2011 | 6 | \$12.21 to \$13.23 | \$82 | 2.38% | 0.95% to 2.00% | 1.92% to 2.96% |
| 2010 | 7 | \$11.98 to \$12.85 | \$86 | 2.35% | 0.95% to 2.00% | 7.16% to 8.26% |
| 2009 | 7 | \$11.18 to \$11.87 | \$84 | 3.66% | 0.95% to 2.00% | 25.74% |
| 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% |
| Equity Income Portfolio | | | | | | |
| 2011 | 25 | \$13.01 to \$14.00 | \$351 | 2.45% | 1.05% to 2.00% | 8.06% to 9.08% |
| 2010 | 24 | \$12.04 to \$12.78 | \$303 | 2.65% | 1.10% to 2.00% | 12.42% to 13.40% |
| 2009 | 20 | \$10.71 to \$11.27 | \$225 | 4.10% | 1.10% to 2.00% | 15.20% to 15.47% |
| 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% |
| Small Company Growth Portfolio | | | | | | |
| 2011 | 6 | \$13.23 to \$14.34 | \$92 | - | 0.95% to 2.00% | -0.68% to 0.35% |
| 2010 | 8 | \$13.32 to \$14.29 | \$110 | - | 0.95% to 2.00% | 29.19% to 30.62% |
| 2009 | 9 | \$10.31 to \$10.94 | \$93 | 1.27% | 0.95% to 2.00% | 37.60% to 37.96% |
| 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% |
| Victory Small Company Opportunity Fund - Class R | | | | | | |
| 2011 | - | \$12.65 | \$1 | (e) | 0.60% | (e) |
| 2010 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2009 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2008 | (e) | (e) | (e) | (e) | (e) | (e) |
| 2007 | (e) | (e) | (e) | (e) | (e) | (e) |
| Wanger International | | | | | | |
| 2011 | 2,787 | \$7.96 to \$9.18 | \$24,628 | 5.06% | 0.00% to 1.50% | -15.91% to -14.60% |
| 2010 | 2,483 | \$9.42 to \$10.75 | \$25,898 | 2.55% | 0.00% to 1.55% | 23.00% to 25.03% |
| 2009 | 1,714 | \$7.59 to \$8.61 | \$14,434 | 3.47% | 0.00% to 1.55% | 47.42% to 49.80% |
| 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 | (a) | 0.00% to 1.50% | (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) |
|---|------------------|--|-----------------------|--|---|--|
| Wanger Select | | | | | | |
| 2011 | 5,695 | \$8.12 to \$14.68 | \$78,376 | 2.26% | 0.00% to 1.75% | -19.10% to -17.67% |
| 2010 | 6,108 | \$9.95 to \$17.83 | \$102,870 | 0.53% | 0.00% to 1.75% | 24.65% to 26.60% |
| 2009 | 5,121 | \$7.92 to \$14.09 | \$68,682 | - | 0.00% to 1.50% | 63.80% to 66.19% |
| 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% |
| Wanger USA | | | | | | |
| 2011 | 2,848 | \$9.63 to \$15.69 | \$40,134 | - | 0.00% to 1.50% | -4.88% to -3.46% |
| 2010 | 2,442 | \$10.06 to \$16.37 | \$35,896 | - | 0.00% to 1.50% | 21.50% to 23.35% |
| 2009 | 2,016 | \$8.22 to \$13.36 | \$24,191 | - | 0.00% to 1.50% | 40.12% to 42.34% |
| 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% |
| Washington Mutual Investors Fund SM , Inc. - Class R-3 | | | | | | |
| 2011 | 361 | \$11.44 to \$12.94 | \$4,465 | 1.96% | 0.00% to 1.55% | 5.05% to 6.68% |
| 2010 | 389 | \$10.89 to \$12.13 | \$4,515 | 1.98% | 0.00% to 1.55% | 11.12% to 13.05% |
| 2009 | 406 | \$9.80 to \$10.73 | \$4,173 | 2.80% | 0.00% to 1.55% | 16.81% to 18.56% |
| 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% |
| Washington Mutual Investors Fund SM , Inc. - Class R-4 | | | | | | |
| 2011 | 7,177 | \$9.05 to \$13.14 | \$87,837 | 2.21% | 0.00% to 1.50% | 5.41% to 6.90% |
| 2010 | 7,137 | \$8.54 to \$12.26 | \$82,473 | 2.28% | 0.00% to 1.50% | 11.57% to 13.43% |
| 2009 | 7,276 | \$7.59 to \$11.00 | \$74,999 | 3.08% | 0.00% to 1.50% | 17.25% to 18.92% |
| 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% |
| Wells Fargo Advantage Small Cap Value Fund - Class A | | | | | | |
| 2011 | 9 | \$11.58 | \$108 | - | 1.00% | -8.46% |
| 2010 | 9 | \$12.65 | \$118 | 0.97% | 1.00% | 18.11% |
| 2009 | 8 | \$10.71 | \$88 | - | 1.00% | 50.42% |
| 2008 | 7 | \$7.12 | \$46 | - | 1.00% | -39.04% |
| 2007 | 4 | \$11.68 | \$47 | - | 1.00% | 9.16% |

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ING LIFE INSURANCE AND ANNUITY COMPANY**
Notes to Financial Statements

| | Investment | | | | | |
|--|------------------|--|-----------------------|------------------------------|---|--|
| | Units (000's) | Unit Fair Value (lowest to highest) | Net Assets (000's) | Income Ratio ^A | Expense Ratio ^B (lowest to highest) | Total Return ^C (lowest to highest) |
| Wells Fargo Advantage Special Small Cap Values Fund - Class A | | | | | | |
| 2011 | 4,004 | \$9.73 to \$24.89 | \$89,066 | - | 0.00% to 1.55% | -3.69% to -2.15% |
| 2010 | 4,325 | \$10.04 to \$25.47 | \$99,165 | - | 0.00% to 1.55% | 20.70% to 22.54% |
| 2009 | 4,381 | \$8.26 to \$20.79 | \$82,713 | 0.41% | 0.00% to 1.55% | 27.90% to 29.91% |
| 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% |

- (a) As this investment Division had no investments until 2007, this data is not meaningful and therefore is not presented
(b) As this investment Division had no investments until 2008, this data is not meaningful and therefore is not presented
(c) As this investment Division had no investments until 2009, this data is not meaningful and therefore is not presented
(d) As this investment Division had no investments until 2010, this data is not meaningful and therefore is not presented
(e) As this investment Division had no investments until 2011, 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, excluding expenses charged through the redemption of units, and is equal to the mortality and expense, administrative and other charges, as defined in the Charges and Fees note. 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.

ING Life Insurance and Annuity Company and Subsidiaries

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| Consolidated Statements of Changes in Shareholder's Equity for the years ended December 31, 2011, 2010, and 2009 | C-7 |
| Consolidated Statements of Cash Flows for the years ended December 31, 2011, 2010, and 2009 | C-8 |
| Notes to Consolidated Financial Statements | C-10 |

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, 2011 and 2010, and the related consolidated statements of operations, comprehensive income, changes in shareholder's equity, and cash flows for each of the three years in the period ended December 31, 2011. 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 include 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 at December 31, 2011 and 2010, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2011, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 1 to the financial statements, in 2009 the Company changed its method of accounting for the recognition and presentation of other-than-temporary impairments.

/s/ Ernst & Young LLP

Atlanta, Georgia
March 27, 2012

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, | |
|--|----|--------------------|-------------|
| | | 2011 | 2010 |
| Assets | | | |
| Investments: | | | |
| Fixed maturities, available-for-sale, at fair value | | | |
| (amortized cost of \$16,577.9 at 2011 and \$15,104.5 at 2010) | \$ | 18,075.4 | \$ 16,012.6 |
| Fixed maturities, at fair value using the fair value option | | 511.9 | 453.4 |
| Equity securities, available-for-sale, at fair value | | | |
| (cost of \$131.8 at 2011 and \$179.6 at 2010) | | 144.9 | 200.6 |
| Short-term investments | | 216.8 | 222.4 |
| Mortgage loans on real estate | | 2,373.5 | 1,842.8 |
| Loan - Dutch State obligation | | 417.0 | 539.4 |
| Policy loans | | 245.9 | 253.0 |
| Limited partnerships/corporations | | 510.6 | 463.5 |
| Derivatives | | 505.8 | 234.2 |
| Securities pledged (amortized cost of \$572.5 at 2011 and \$936.5 at 2010) | | 593.7 | 962.2 |
| Total investments | | 23,595.5 | 21,184.1 |
| Cash and cash equivalents | | 217.1 | 231.0 |
| Short-term investments under securities loan agreement, | | | |
| including collateral delivered | | 524.8 | 675.4 |
| Accrued investment income | | 260.2 | 240.5 |
| Receivable for securities sold | | 16.7 | 5.6 |
| Reinsurance recoverable | | 2,276.3 | 2,355.9 |
| Deferred policy acquisition costs, Value of business acquired, | | | |
| and Sales inducements to contract holders | | 1,426.1 | 1,760.6 |
| Notes receivable from affiliate | | 175.0 | 175.0 |
| Short-term loan to affiliate | | 648.0 | 304.1 |
| Due from affiliates | | 52.9 | 102.4 |
| Property and equipment | | 84.7 | 87.4 |
| Other assets | | 56.4 | 52.9 |
| Assets held in separate accounts | | 45,295.2 | 46,489.1 |
| Total assets | \$ | 74,628.9 | \$ 73,664.0 |

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

(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)

(In millions, except share data)

[illegible]

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.) | | | | | | | | | | | | |
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| Consolidated Statements of Operations | | | | | | | | | | | | |
| (In millions) | | | | | | | | | | | | |
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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)

[illegible]

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) | | | | |
| | | | | |
| | Years Ended December 31, | | | |
| | 2011 | 2010 | 2009 | |
| Cash Flows from Operating Activities: | | | | |
| Net income | \$ 336.6 | \$ 436.9 | \$ 353.9 | |
| 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 | (164.3) | (167.1) | (152.8) | |
| Net amortization of deferred policy acquisition costs, value of business acquired, and sales inducements | 159.1 | (48.9) | 83.3 | |
| Net accretion/decretion of discount/premium | 37.0 | 44.3 | 45.4 | |
| Future policy benefits, claims reserves, and interest credited | 855.1 | 599.5 | 386.9 | |
| Provision for deferred income taxes | (56.5) | 65.3 | 36.7 | |
| Net realized capital losses (gains) | (0.3) | 28.1 | 245.5 | |
| Depreciation | 3.5 | 3.4 | 10.4 | |
| Change in: | | | | |
| Accrued investment income | (19.7) | (23.3) | (11.4) | |
| Reinsurance recoverable | 79.6 | 74.0 | 79.3 | |
| Other receivable and assets accruals | (3.5) | (86.0) | 130.9 | |
| Due to/from affiliates | 54.3 | 17.2 | 7.9 | |
| Other payables and accruals | (91.9) | 85.5 | 46.0 | |
| Other, net | (75.9) | (42.0) | (112.7) | |
| Net cash provided by operating activities | 1,113.1 | 986.9 | 1,149.3 | |
| Cash Flows from Investing Activities: | | | | |
| Proceeds from the sale, maturity, disposal or redemption of: | | | | |
| Fixed maturities | 6,468.5 | 6,340.3 | 5,864.2 | |
| Equity securities, available-for-sale | 63.1 | 12.9 | 99.4 | |
| Mortgage loans on real estate | 332.8 | 179.2 | 308.7 | |
| Limited partnerships/corporations | 93.0 | 87.2 | 116.2 | |
| Acquisition of: | | | | |
| Fixed maturities | (7,662.0) | (7,383.5) | (6,215.4) | |
| Equity securities, available-for-sale | (5.7) | (16.7) | (25.2) | |
| Mortgage loans on real estate | (863.1) | (147.2) | (87.2) | |
| Limited partnerships/corporations | (68.5) | (85.5) | (49.3) | |
| Derivatives, net | (78.6) | (147.3) | (170.8) | |
| Policy loans, net | 7.1 | 1.7 | 13.1 | |
| Short-term investments, net | 5.3 | 313.1 | (492.7) | |
| Loan-Dutch State obligation | 122.4 | 134.7 | 124.8 | |
| Collateral held, net | 105.3 | 4.7 | (4.4) | |
| Sales (purchases) of fixed assets, net | (0.8) | - | 13.5 | |
| Net cash used in investing activities | (1,481.2) | (706.4) | (505.1) | |

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) | | | | | |
| | | | | | |
| | Years Ended December 31, | | | | |
| | 2011 | | 2010 | | 2009 |
| Cash Flows from Financing Activities: | | | | | |
| Deposits received for investment contracts | \$ 3,115.4 | \$ | 2,022.2 | \$ | 2,069.6 |
| Maturities and withdrawals from investment contracts | (2,403.6) | | (2,309.7) | | (2,123.6) |
| Short-term loans to affiliates | (343.9) | | (16.9) | | (300.2) |
| Short-term repayments of repurchase agreements, net | (214.7) | | 214.6 | | (615.2) |
| Dividends to parent | - | | (203.0) | | - |
| Contribution of capital from parent | 201.0 | | - | | 365.0 |
| Net cash provided by (used in) financing activities | 354.2 | | (292.8) | | (604.4) |
| Net increase (decrease) in cash and cash equivalents | (13.9) | | (12.3) | | 39.8 |
| Cash and cash equivalents, beginning of period | 231.0 | | 243.3 | | 203.5 |
| Cash and cash equivalents, end of period | \$ 217.1 | \$ | 231.0 | \$ | 243.3 |
| Supplemental cash flow information: | | | | | |
| Income taxes paid, net | \$ 108.4 | \$ | 0.6 | \$ | 13.7 |
| Interest paid | \$ 0.3 | \$ | - | \$ | 4.8 |
| Non-cash transfer Loan-Dutch State obligation | \$ - | \$ | - | \$ | 798.9 |

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

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1. Business, Basis of Presentation and Significant Accounting Policies

Business

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 the District of Columbia.

ILIAC is a direct, wholly-owned subsidiary of Lion Connecticut Holdings Inc. (“Lion” or “Parent”), which is a direct, wholly owned subsidiary of ING America Insurance Holdings, Inc. (“ING AIH”). ING AIH 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 Depositary Shares listed on the New York Stock Exchange under the symbol “ING.”

As part of a restructuring plan approved by the European Commission (“EC”), ING has agreed to separate its banking and insurance businesses by 2013. ING intends to achieve this separation by divestment of its insurance and investment management operations, including the Company. ING has announced that it will explore all options for implementing the separation including one or more initial public offerings, sales, or a combination thereof. On November 10, 2010, ING announced that, in connection with the restructuring plan, it will prepare for a base case of an initial public offering of the Company and its U.S.-based insurance and investment management affiliates.

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 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 (i.e., payout) 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., guarantees of principal and previously accrued interest for benefits paid under the terms of the plan) with respect to portfolios of plan-

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owned assets not invested with the Company. The Company also offers pension and retirement savings plan administrative services.

The Company has one operating segment.

Basis of Presentation

The accompanying financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”). The Consolidated Financial Statements include the accounts of ILIAC and its subsidiaries, ING Financial Advisers, LLC (“IFA”) and Directed Services LLC (“DSL”).

Intercompany transactions and balances between ILIAC and its subsidiaries have been eliminated. Certain reclassifications have been made to prior year financial information to conform to the current year classifications.

Significant Accounting Policies

Estimates and Assumptions

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Those estimates are inherently subject to change and actual results could differ from those estimates.

The Company has identified the following accounts and policies as significant in that they involve a higher degree of judgment, are subject to a significant degree of variability, and contain accounting estimates:

Reserves for future policy benefits, valuation and amortization of deferred policy acquisition costs (“DAC”), value of business acquired (“VOBA”), valuation of investments and derivatives, impairments, income taxes, and contingencies.

Fair Value Measurement

The Company measures the fair value of its financial assets and liabilities based on assumptions used by market participants in pricing the asset or liability, which may include inherent risk, restrictions on the sale or use of an asset, or non-performance risk, including the Company’s own credit risk. The estimate of an exchange price is the price in an orderly transaction between market participants to sell the asset or transfer the liability (“exit price”) in the principal market, or the most advantageous market in the absence of a principal market, for that asset or liability. The Company utilizes a number

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of valuation sources to determine the fair values of its financial assets and liabilities, including quoted market prices, third-party commercial pricing services, third-party brokers, and industry-standard, vendor-provided software that models the value based on market observable inputs, and other internal modeling techniques based on projected cash flows.

The Company categorizes 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. The Company defines an active market as a market in which transactions take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 - Quoted prices in markets that are not active or valuation techniques that require 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.
- 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.

When available, the estimated fair value of securities is based on quoted prices in active markets that are readily and regularly obtainable. When quoted prices in active markets are not available, the determination of estimated fair value is based on market standard valuation methodologies, including discounted cash flow methodologies, matrix pricing, or other similar techniques. See the Fair Value Measurements note to these Consolidated Financial Statements for additional information regarding the fair value of specific financial assets and liabilities.

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Investments

The accounting policies for the Company's principal investments are as follows:

Fixed Maturities and Equity Securities: All of the Company's fixed maturities and equity securities are currently designated as available-for-sale, except those accounted for using the fair value option ("FVO"). Available-for-sale securities are reported at fair value and unrealized capital gains (losses) on these securities are recorded directly in Accumulated other comprehensive income (loss) ("AOCI"), and presented net of related changes in DAC, VOBA, and deferred income taxes.

Certain CMOs, primarily interest-only and principal-only strips, are accounted for as hybrid instruments and valued at fair value with changes in the fair value recorded in Other net realized capital gains (losses) in the Consolidated Statements of Operations.

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. Investment gains and losses on sales of securities are generally determined on a first-in-first-out ("FIFO") basis.

Interest income on fixed maturities is recorded when earned using an effective yield method, giving effect to amortization of premiums and accretion of discounts. Dividends on equity securities are recorded when declared. Such dividends and interest income are recorded in Net investment income on the Consolidated Statements of Operations.

Included within fixed maturities are loan-backed securities, including residential mortgage-backed securities ("RMBS"), commercial mortgage-backed securities ("CMBS"), and asset-backed securities ("ABS"). Amortization of the premium or discount from the purchase of these securities considers the estimated timing and amount of prepayments of the underlying loans. Actual prepayment experience is periodically reviewed and effective yields are recalculated when differences arise between the prepayments originally anticipated and the actual prepayments received and currently anticipated. Prepayment assumptions for single class and multi-class mortgage-backed securities ("MBS") and ABS are estimated by management using inputs obtained from third-party specialists, including broker-dealers, and based on management's knowledge of the current market. For credit-sensitive MBS and ABS, and certain prepayment-sensitive securities, the effective yield is recalculated on a prospective basis. For all other MBS and ABS, the effective yield is recalculated on a retrospective basis.

Short-term Investments: Short-term investments include investments with remaining maturities of one year or less, but greater than three months, at the time of purchase. These investments are stated at fair value.

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Assets Held in Separate Accounts: Assets held in separate accounts are reported at the fair values of the underlying investments in the separate accounts. The underlying investments include mutual funds, short-term investments, and cash, and fixed maturities.

Mortgage Loans on Real Estate: The Company's mortgage loans on real estate are all commercial mortgage loans, which are reported at amortized cost, less impairment write-downs and allowance for losses. If the value of any mortgage loan is determined to be impaired (i.e., when it is probable that 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 lower of either the present value of expected cash flows from the loan, discounted at the loan's effective interest rate, or fair value of the collateral. For those mortgages that are determined to require foreclosure, the carrying value is reduced to the fair value of the underlying collateral, net of estimated costs to obtain and sell at the point of foreclosure. The carrying value of the impaired loans is reduced by establishing a permanent write-down recorded in Net realized capital gains (losses) in the Consolidated Statements of Operations.

All mortgage loans are evaluated by the Company's investment professionals, including an appraisal of loan-specific credit quality, property characteristics, and market trends. Loan performance is monitored on a loan-specific basis. The Company's review includes submitted appraisals, operating statements, rent revenues and annual inspection reports, among other items. This review evaluates whether the properties are performing at a consistent and acceptable level to secure the debt.

All mortgages are evaluated for the purpose of quantifying the level of risk. Those loans with higher risk are placed on a watch list and are closely monitored for collateral deficiency or other credit events that may lead to a potential loss of principal or interest. The Company defines delinquent mortgage loans consistent with industry practice as 60 days past due.

As of December 31, 2011 and 2010, all mortgage loans are held-for-investment. The Company diversifies its mortgage loan portfolio by geographic region and property type to reduce concentration risk. The Company manages risk when originating mortgage loans by generally lending only up to 75% of the estimated fair value of the underlying real estate.

The Company records an allowance for probable incurred, but not specifically identified, losses.

Loan - Dutch State Obligation: The reported value of The State of the Netherlands (the "Dutch State") loan obligation is based on the outstanding loan balance plus any unamortized premium.

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Policy Loans: The reported value of policy loans is equal to the carrying value of the loans. Interest income on such loans is recorded as earned in Net investment income using the contractually agreed upon interest rate. Generally, interest is capitalized on the policy's anniversary date. Valuation allowances are not established for policy loans, as these loans are collateralized by the value of the associated insurance contracts. Any unpaid principal or interest on the loan is deducted from the account value or the death benefit prior to settlement of the policy.

Limited Partnerships/Corporations: The Company uses the equity method of accounting for investments in limited partnership interests, primarily private equities and hedge funds. Generally, the Company records its share of earnings using a lag methodology, relying upon the most recent financial information available, where the contractual right exists to receive such financial information on a timely basis. The Company's equity in earnings from limited partnership interests are accounted for under the equity method is recorded in Net investment income.

Securities Lending: The Company engages in securities lending whereby certain domestic 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 securities. Generally, the lending agent retains all of the cash collateral. Collateral retained by the agent is invested in liquid assets on behalf of the Company. 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.

As of December 31, 2011 and 2010, the fair value of loaned securities was \$515.8 and \$651.7, respectively, and is included in Securities pledged on the Consolidated Balance Sheets. Collateral received is included in Short-term investments under securities loan agreement, including collateral delivered. As of December 31, 2011 and 2010, liabilities to return collateral of \$524.8 and \$675.5, respectively, are included in Payables under securities loan agreement, including collateral held, on the Consolidated Balance Sheets.

Other-than-temporary Impairments

The Company periodically evaluates its available-for-sale general account investments to determine whether there has been an other-than-temporary decline in fair value below the amortized cost basis. Factors considered in this analysis include, but are not limited to, the length of time and the extent to which the fair value has been less than amortized cost, the issuer's financial condition and near-term prospects, future economic conditions and market forecasts, interest rate changes, and changes in ratings of the security. An extended and severe unrealized loss position on a fixed maturity may not have any impact on: (a) the ability of the issuer to service all scheduled interest and principal payments, and (b) the evaluation of recoverability of all contractual cash flows or the ability to recover an amount at least equal to its amortized cost based on the present value of the expected future cash flows to be collected. In contrast, for certain equity securities, the

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Company gives greater weight and consideration to a decline in market value and the likelihood such market value decline will recover.

Effective April 1, 2009, the Company prospectively adopted guidance on the recognition and presentation of OTTI losses (see the “Adoption of New Pronouncements” section below). When assessing the Company’s intent to sell a security or if it is more likely than not the Company will be required to sell a security before recovery of its amortized cost basis, management evaluates facts and circumstances such as, but not limited to, decisions to rebalance the investment portfolio and sales of investments to meet cash flow or capital needs.

When the Company has determined it has the intent to sell or if it is more likely than not that the Company will be required to sell a security before recovery of its amortized cost basis and the fair value has declined below amortized cost (“intent impairment”), the individual security is written down from amortized cost to fair value, and a corresponding charge is recorded in Net realized capital gains (losses) in the Consolidated Statements of Operations as an OTTI. If the Company does not intend to sell the security and it is not more likely than not the Company will be required to sell the security before recovery of its amortized cost basis, but the Company has determined that there has been an other-than-temporary decline in fair value below the amortized cost basis, the OTTI is bifurcated into the amount representing the present value of the decrease in cash flows expected to be collected (“credit impairment”) and the amount related to other factors (“noncredit impairment”). The credit impairment is recorded in Net realized capital gains (losses) in the Consolidated Statements of Operations. The noncredit impairment is recorded in Other comprehensive income (loss) on the Consolidated Balance Sheets.

Prior to April 1, 2009, the Company recognized in earnings an OTTI for a fixed maturity in an unrealized loss position, unless it could assert that it had both the intent and ability to hold the fixed maturity for a period of time sufficient to allow for a recovery of estimated fair value to the security’s amortized cost. The entire difference between the fixed maturity’s amortized cost basis and its estimated fair value was recognized in earnings if the security was determined to have an OTTI.

There was no change in guidance for equity securities which, when an OTTI has occurred, continue to be impaired for the entire difference between the equity security’s cost and its estimated fair value.

The Company uses the following methodology and significant inputs to determine the amount of the OTTI credit loss:

- The Company calculates the recovery value by performing a discounted cash flow analysis based on the present value of future cash flows expected to be received. The discount rate is generally the effective interest rate of the fixed maturity prior to impairment.

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- When determining collectability and the period over which the value is expected to recover, the Company applies the same considerations utilized in its overall impairment evaluation process, which incorporates information regarding the specific security, the industry and geographic area in which the issuer operates, and overall macroeconomic conditions. Projected future cash flows are estimated using assumptions derived from the Company's best estimates of likely scenario-based outcomes, after giving consideration to a variety of variables that include, but is not limited to: general payment terms of the security; the likelihood that the issuer can service the scheduled interest and principal payments; the quality and amount of any credit enhancements; the security's position within the capital structure of the issuer; possible corporate restructurings or asset sales by the issuer; and changes to the rating of the security or the issuer by rating agencies.
- Additional considerations are made when assessing the unique features that apply to certain structured securities such as RMBS, CMBS, and ABS. These additional factors for structured securities include, but are not limited to: the quality of underlying collateral; expected prepayment speeds; current and forecasted loss severity; and the payment priority within the tranche structure of the security.
- When determining the amount of the credit loss for U.S. and foreign corporate securities, foreign government securities and state and political subdivision securities, the Company considers the estimated fair value as the recovery value when available information does not indicate that another value is more appropriate. When information is identified that indicates a recovery value other than estimated fair value, the Company considers in the determination of recovery value the same considerations utilized in its overall impairment evaluation process, which incorporates available information and the Company's best estimate of scenarios-based outcomes regarding the specific security and issuer; possible corporate restructurings or asset sales by the issuer; the quality and amount of any credit enhancements; the security's position within the capital structure of the issuer; fundamentals of the industry and geographic area in which the security issuer operates, and the overall macroeconomic conditions.

In periods subsequent to the recognition of the credit related impairment components of OTTI on a fixed maturity through Net realized capital gains (losses) on the Consolidated Statements of Operations, the Company accounts for the impaired security as if it had been purchased on the measurement date of the impairment. Accordingly, the discount (or reduced premium) based on the new cost basis is accreted into net investment income over the remaining term of the fixed maturity in a prospective manner based on the amount and timing of estimated future cash flows.

Derivatives

The Company's use of derivatives is limited mainly to economic hedging to reduce the Company's exposure to cash flow variability of assets and liabilities, interest rate risk, credit risk, exchange rate risk, and market risk. It is the Company's policy not to offset

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fair value amounts recognized for derivative instruments and fair value amounts recognized for the right to reclaim cash collateral or the obligation to return cash collateral arising from derivative instruments recognized at fair value executed with the same counterparty under a master netting arrangement.

The Company enters into interest rate, equity market, credit default, and currency contracts, including swaps, futures, forwards, caps, floors, and options, to reduce and manage various 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 Derivatives or Other liabilities, as appropriate, on the Consolidated Balance Sheets at fair value. Changes in the fair value of derivatives are recorded in Net realized capital gains (losses) in the Consolidated Statements of Operations.

To qualify for hedge accounting, at the inception of the hedging relationship, the Company formally documents its risk management objective and strategy for undertaking the hedging transaction, as well as its designation of the hedge as either (i) a hedge of the exposure to changes in the estimated fair value of a recognized asset or liability (“fair value hedge”); or (ii) a hedge of a forecasted transaction or of the variability of cash flows to be received or paid related to a recognized asset or liability (“cash flow hedge”). In this documentation, the Company sets forth how the hedging instrument is expected to hedge the designated risks related to the hedged item and sets forth the method that will be used to retrospectively and prospectively assess the hedging instrument’s effectiveness and the method which will be used to measure ineffectiveness. A derivative designated as a hedging instrument must be assessed as being highly effective in offsetting the designated risk of the hedged item. Hedge effectiveness is formally assessed at inception and periodically throughout the life of the designated hedging relationship.

- *Fair Value Hedge Relationship:* For derivative instruments that are designated and qualify as a fair value hedge (e.g., hedging the exposure to changes in the fair value of an asset or a liability or an identified portion thereof that is attributable to a particular risk), the gain or loss on the derivative instrument as well as the hedged item, to the extent of the risk being hedged, are recognized in Other net realized capital gains (losses).
- *Cash Flow Hedge Relationship:* For derivative instruments that are designated and qualify as a cash flow hedge (e.g., hedging the exposure to the variability in expected future cash flows that is attributable to interest rate risk), the effective portion of the gain or loss on the derivative instrument is reported as a component of AOCI and reclassified into earnings in the same period or periods during which the hedged transaction impacts earnings in the same line item associated with the forecasted transaction. The ineffective portion of the derivative’s change in value,

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if any, along with any of the derivative's change in value that is excluded from the assessment of hedge effectiveness, are recorded in Other net realized capital gains (losses).

When hedge accounting is discontinued because it is determined that the derivative is no longer expected to be highly effective in offsetting changes in the estimated fair value or cash flows of a hedged item, the derivative continues to be carried in the Consolidated Balance Sheets at its estimated fair value, with subsequent changes in estimated fair value recognized immediately in Other net realized capital gains (losses). The carrying value of the hedged recognized asset or liability under a fair value hedge is no longer adjusted for changes in its estimated fair value due to the hedged risk, and the cumulative adjustment to its carrying value is amortized into income over the remaining life of the hedged item. Provided the hedged forecasted transaction is still probable of occurrence, the changes in estimated fair value of derivatives recorded in Other comprehensive income (loss) related to discontinued cash flow hedges are released into the Consolidated Statements of Operations when the Company's earnings are affected by the variability in cash flows of the hedged item.

When hedge accounting is discontinued because it is no longer probable that the forecasted transactions will occur on the anticipated date or within two months of that date, the derivative continues to be carried in the Consolidated Balance Sheets at its estimated fair value, with changes in estimated fair value recognized currently in Other net realized capital gains (losses). Derivative gains and losses recorded in Other comprehensive income (loss) pursuant to the discontinued cash flow hedge of a forecasted transaction that is no longer probable are recognized immediately in Other net realized capital gains (losses).

If the Company's current debt and claims paying ratings were downgraded in the future, the terms in the Company's derivative agreements may be triggered, which could negatively impact overall liquidity. For the majority of the Company's counterparties, there is a termination event should the Company's long-term debt ratings drop below BBB+/Baa1.

The carrying amounts for these financial instruments, which can be assets or liabilities, reflect the fair value of the assets and liabilities.

The Company also has investments in certain fixed maturities, and has issued certain annuity products, that contain embedded derivatives whose fair value is at least partially determined by levels of or changes in domestic and/or foreign interest rates (short-term or long-term), exchange rates, prepayment rates, equity markets, or credit ratings/spreads. Embedded derivatives within fixed maturities are included in Derivatives as assets or liabilities 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 annuity products are included in Future policy benefits on

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the Consolidated Balance Sheets, and changes in the fair value are recorded in Interest credited and other benefits to contract owners in the Consolidated Statements of Operations.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, amounts due from banks, and other highly liquid investments, such as money market instruments and debt instruments with maturities of three months or less at the time of purchase. Cash and cash equivalents are stated at fair value.

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. 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.

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 |

Deferred Policy Acquisition Costs and Value of Business Acquired

DAC represents policy acquisition costs that have been capitalized and are subject to amortization and interest. 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 acquired and is subject to amortization and interest. The value is based on the present value of estimated net cash flows embedded in the insurance contracts at the time of the acquisition and increased for subsequent deferrable expenses on purchased policies.

Amortization Methodologies

The Company amortizes DAC and VOBA related to fixed and variable deferred annuity contracts over the estimated lives of the contracts in relation to the emergence of estimated gross profits. Assumptions as to mortality, persistency, interest crediting rates, returns associated with separate account performance, impact of hedge performance, expenses to administer the business, and certain economic variables, such as inflation, are based on the Company's experience and overall capital markets. At each valuation date,

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actual historical gross profits are reflected and estimated gross profits, and related assumptions, are evaluated for continued reasonableness. Adjustments to estimated gross profits require that amortization rates be revised retroactively to the date of the contract issuance ("unlocking").

The Company also reviews the estimated gross profits for each block of business to determine the recoverability of DAC and VOBA balances each period. DAC and VOBA are deemed to be recoverable if the estimated gross profits exceed these balances.

Assumptions

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 the Company's variable products. One significant assumption 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. The Company's practice assumes that intermediate-term appreciation in equity markets reverts to the long-term appreciation in equity markets. The Company monitors market events and only changes the assumption when sustained deviations are expected. This methodology incorporates a 9% long-term equity return assumption, and a 14% cap. The reversion to the mean methodology was implemented prospectively on January 1, 2011.

Prior to January 1, 2011, the Company utilized a static long-term equity return assumption for projecting account balance growth in all future years. This return assumption was reviewed annually or more frequently, if deemed necessary. Actual returns that were higher than long-term expectations produced higher contract owner account balances, which increased future fee expectations resulting in higher expected gross profits. The opposite result occurred when returns were lower than long-term expectations.

Other significant assumptions include estimated policyholder behavior assumptions, such as surrender, lapse, and annuitization rates. Estimated gross profits of variable annuity contracts are sensitive to these assumptions.

Contract owners may periodically exchange one contract for another, or make modifications to an existing contract. These transactions are identified as internal replacements. 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. Internal

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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.

Future Policy Benefits and Contract Owner Accounts

Reserves

The Company establishes and carries actuarially-determined reserves that are calculated to meet its future obligations under its variable annuity and fixed annuity products. The principal assumptions used to establish liabilities for future policy benefits are based on Company experience and periodically reviewed against industry standards. These assumptions include mortality, morbidity, policy lapse, renewal, retirement, investment returns, inflation, and expenses. Changes in, or deviations from, the assumptions used can significantly affect the Company's reserve levels and related future operations.

Reserves for individual immediate annuities with life contingent payout benefits are equal to the present value of expected future payments. Assumptions as to interest rates, mortality, and expenses are based upon the Company's experience at the period the policy is sold, including a margin for adverse deviation. Such assumptions generally vary by annuity plan type, year of issue, and policy duration. Interest rates used to calculate the present value of future benefits ranged from 4.5% to 6.0%.

Although assumptions are "locked-in" upon the issuance of immediate annuities with life contingent payout benefits, significant changes in experience or assumptions may require the Company to provide for expected future losses on a product by establishing premium deficiency reserves. Premium deficiency reserves are determined based on best estimate assumptions that exist at the time the premium deficiency reserve is established and do not include a margin for adverse deviations. Reserves are recorded in Future policy benefits on the Consolidated Balance Sheets.

Contract Owner Accounts

Contract owner account balances relate to investment-type contracts.

Account balances 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. Credited interest rates vary by product and ranged from 0.0% to 7.0% for the years 2011, 2010, and 2009.

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Guarantees

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 reported at fair value.

Reserves for guaranteed minimum death benefits (“GMDB”) on certain variable annuities are determined by estimating the value of expected benefits in excess of the projected account balance and recognizing the excess ratably over the accumulation period based on total expected assessments. Expected experience is based on a range of scenarios. Assumptions used, such as near-term and long-term equity market return, lapse rate, and mortality, are consistent with assumptions used in estimating gross profits for purposes of amortizing DAC, and, thus, are subject to the same variability and risk. The assumptions of investment performance and volatility are consistent with the historical experience of the appropriate underlying equity index, such as the Standard & Poor’s (“S&P”) 500 Index. The Company periodically evaluates estimates used and adjusts 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.

Products with guaranteed credited rates treat the guarantee as an embedded derivative for Stabilizer products and a stand-alone derivative for Managed custody guarantee (“MCG”) products. These derivatives are measured at estimated fair value with changes in estimated fair value reported in Interest credited and other benefits to contract owners in the Consolidated Statements of Operations.

The estimated fair value of the Stabilizer and MCG contracts is determined based on the present value of projected future claims, minus the present value of future guaranteed premiums. At inception of the contract the Company projects a guaranteed premium to be equal to the present value of the projected future claims. The income associated with the contracts is projected using 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 are included, as well as an explicit recognition of all nonperformance risks. Nonperformance risk for product guarantees contains adjustments to the fair values of these contract liabilities related to the current credit standing of ING Insurance and the Company based on the credit default swaps with similar term to maturity and priority of payment. The ING Insurance 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.

See the Additional Insurance Benefits and Minimum Guarantees note to these Consolidated Financial Statements for more information.

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Separate Accounts

Separate account assets and liabilities generally represent funds maintained to meet specific investment objectives of contract owners 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 contract owners. 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 contract owner 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.

The Company reports separately, as assets and liabilities, investments held in the separate accounts and liabilities of separate accounts if:

- Such separate accounts are legally recognized;
- Assets supporting the contract liabilities are legally insulated from the Company's general account liabilities;
- Investments are directed by the contract holder; and
- All investment performance, net of contract fees and assessments, is passed through to the contract holder.

The Company reports separate account assets and liabilities that meet the above criteria at fair value on the Consolidated Balance Sheets based on the fair value of the underlying investments. Investment income and net realized and unrealized capital gains (losses) of the separate accounts, however, are not reflected in the Consolidated Statements of Operations. The Consolidated Statements of Cash Flows do not reflect investment activity of the separate accounts.

Repurchase Agreements

The Company engages in dollar repurchase agreements with mortgage-backed securities ("dollar rolls") and repurchase agreements with other collateral types to increase its return on investments and improve liquidity. Such arrangements meet the requirements to be accounted for as financing arrangements. The Company enters into dollar roll transactions by selling existing mortgage-backed securities and concurrently entering into an agreement to repurchase similar securities within a short time frame at a lower price. Under repurchase agreements, the Company borrows cash from a counterparty at an agreed upon interest rate for an agreed upon time frame and pledges collateral in the form of securities. At the end of the agreement, the counterparty returns the collateral to the Company, and the Company, in turn, repays the loan amount along with the additional

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agreed upon interest. Company policy requires that at all times during the term of the dollar roll and repurchase agreements that cash or other collateral types obtained is sufficient to allow the Company to fund substantially all of the cost of purchasing replacement assets. Cash received is invested in short-term investments, with the offsetting obligation to repay the loan included as a liability on the Consolidated Balance Sheets.

The carrying value of the securities pledged in dollar rolls and repurchase agreement transactions and the related repurchase obligation are included in Securities pledged and Short-term debt, respectively, on the Consolidated Balance Sheets. As of December 31, 2011 and 2010, the carrying value of the securities pledged in dollar rolls and repurchase agreement transactions, the related repurchase obligation, including accrued interest, and the collateral posted by the counterparty in connection with the change in the value of pledged securities that will be released upon settlement, were as follows.

| | <u>2011</u> | <u>2010</u> |
|-----------------------|-------------|-------------|
| Securities pledged | \$ - | \$ 216.7 |
| Repurchase obligation | - | 214.5 |
| Collateral | - | - |

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 policy requires that, at all times during the term of the reverse repurchase agreements, cash or other collateral types provided is sufficient to allow the counterparty to fund substantially all of the cost of purchasing replacement assets. As of December 31, 2011 and 2010, the Company did not have any securities pledged under 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. The Company believes the counterparties to the dollar rolls, repurchase, and reverse repurchase agreements are financially responsible and that the counterparty risk is minimal.

Recognition of Insurance Revenue and Related Benefits

For most annuity contracts, charges assessed against contract owner 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

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Premiums and Interest credited and other benefits to contract owners in the Consolidated Statements of Operations.

Premiums on the Consolidated Statements of Operations primarily represent amounts received for immediate annuities with life contingent payouts. Premiums, benefits, and expenses are presented net of reinsurance ceded to other companies.

Income Taxes

The Company's deferred tax assets and liabilities resulting from temporary differences between financial reporting and tax bases of assets and liabilities are measured at the balance sheet date using enacted tax rates expected to apply to taxable income in the years the temporary differences are expected to reverse.

The results of the Company's operations are included in the consolidated tax return of ING AIH. Generally, the Company's consolidated financial statements recognize the current and deferred income tax consequences that result from the Company's activities during the current and preceding periods pursuant to the provisions of Accounting Standards Codification topic 740, Income Taxes (ASC 740) as if the Company were a separate taxpayer rather than a member of ING AIH's consolidated income tax return group with the exception of any net operating loss carryforwards and capital loss carryforwards, which are recorded pursuant to the tax sharing agreement. The Company's tax sharing agreement with ING AIH states that for each taxable year during which the Company is included in a consolidated federal income tax return with ING AIH, ING AIH will pay to the Company an amount equal to the tax benefit of the Company's net operating loss carryforwards and capital loss carryforwards generated in such year, without regard to whether such net operating loss carryforwards and capital loss carryforwards are actually utilized in the reduction of the consolidated federal income tax liability for any consolidated taxable year.

The Company evaluates and tests the recoverability of its deferred tax assets. Deferred tax assets represent the tax benefit of future deductible temporary differences and operating loss and tax credit carryforwards. Deferred tax assets are reduced by a valuation allowance if, based on the weight of evidence, it is more likely than not that some portion, or all, of the deferred tax assets will not be realized. Considerable judgment and the use of estimates are required in determining whether a valuation allowance is necessary, and if so, the amount of such valuation allowance. In evaluating the need for a valuation allowance, the Company considers many factors, including:

- The nature and character of the deferred tax assets and liabilities;
- Taxable income in prior carryback years;
- Projected future taxable income, exclusive of reversing temporary differences and carryforwards;
- Projected future reversals of existing temporary differences;

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- The length of time carryforwards can be utilized; and
- Any prudent and feasible tax planning strategies the Company would employ to avoid a tax benefit from expiring unused.

Management uses certain assumptions and estimates in determining the income taxes payable or refundable to/from the Parent for the current year, the deferred income tax liabilities and assets for items recognized differently in its financial statements from amounts shown on its income tax returns, and the federal income tax expense. Determining these amounts requires analysis and interpretation of current tax laws and regulations, including the loss limitation rules associated with change in control. Management exercises considerable judgment in evaluating the amount and timing of recognition of the resulting income tax liabilities and assets. These judgments and estimates are reevaluated on a continual basis as regulatory and business factors change.

The Company determines whether a tax position is more likely than not to be sustained under examination by the appropriate taxing authority before any part of the benefit can be recognized in the financial statements. Tax positions that do not meet the more likely than not standard are not recognized. Tax positions that meet this standard are recognized in the Consolidated Financial Statements. The Company measures the tax position as the largest amount that is greater than 50% likely of being realized upon ultimate resolution with the tax authority that has full knowledge of all relevant information.

Reinsurance

The Company utilizes reinsurance agreements to reduce its exposure to losses from GMDBs in its annuity insurance business. Such reinsurance permits recovery of a portion of losses from reinsurers, although it does not discharge the primary liability of the Company as the direct insurer of the risks reinsured.

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 agreement with a subsidiary of Lincoln National Corporation (“Lincoln”). The Lincoln subsidiary established a trust to secure its obligations to the Company under the reinsurance transaction. Of the Reinsurance recoverable on the Consolidated Balance Sheets, \$2.2 billion and \$2.3 billion at December 31, 2011 and 2010, respectively, equal the Company’s total individual life reserves and are related to the reinsurance recoverable from the subsidiary of Lincoln under this reinsurance agreement. Individual life reserves are included in Future policy benefits and claims reserves on the Consolidated Balance Sheets.

Accounting for reinsurance requires extensive use of assumptions and estimates, particularly related to the future performance of the underlying business and the potential impact of counterparty credit risks. The Company periodically reviews actual and

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anticipated experience compared to the assumptions used to establish assets and liabilities relating to ceded and assumed reinsurance. The Company also evaluates the financial strength of potential reinsurers and continually monitors the financial condition of reinsurers. Only those reinsurance recoverable balances deemed probable of recovery are recognized as assets on the Company's Consolidated Balance Sheets.

Contingencies

A loss contingency is an existing condition, situation, or set of circumstances involving uncertainty as to possible loss that will ultimately be resolved when one or more future events occur or fail to occur. Examples of loss contingencies include pending or threatened adverse litigation, threat of expropriation of assets, and actual or possible claims and assessments. Amounts related to loss contingencies are accrued if it is probable that a loss has been incurred and the amount can be reasonably estimated, based on the Company's best estimate of the ultimate outcome. If determined to meet the criteria for a reserve, the Company also evaluates whether there are external legal or other costs directly associated with the resolution of the matter and accrues such costs if estimable.

Adoption of New Pronouncements

Financial Instruments

A Creditor's Determination of Whether a Restructuring is a Troubled Debt Restructuring
In April 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2011-02, "Receivables (Accounting Standards CodificationTM ("ASC") Topic 310): A Creditor's Determination of Whether a Restructuring is a Troubled Debt Restructuring" ("ASU 2011-02"), which clarifies the guidance on a creditor's evaluation of whether it has granted a concession and whether the debtor is experiencing financial difficulties, as follows:

- If a debtor does not have access to funds at a market rate for similar debt, the restructuring would be considered to be at a below-market rate;
- An increase in the contractual interest rate does not preclude the restructuring from being considered a concession, as the new rate could still be below the market interest rate;
- A restructuring that results in a delay in payment that is insignificant is not a concession;
- A creditor should evaluate whether it is probable that the debtor would be in payment default on any of its debt without the modification to determine if the debtor is experiencing financial difficulties; and
- A creditor is precluded from using the effective interest rate test.

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Also, ASU 2011-02 requires disclosure of the information required in ASU 2010-20 about troubled debt restructuring, which was previously deferred by ASU 2011-01.

The provisions of ASU 2011-02 were adopted by the Company on July 1, 2011, and applied retrospectively to January 1, 2011. The Company determined, however, that there was no effect on the Company's financial condition, results of operations, or cash flows for the year ended December 31, 2011, as there were no troubled debt restructurings during that period.

Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses

In July 2010, the FASB issued ASU 2010-20, "Receivables (ASC Topic 310): Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses" ("ASU 2010-20"), which requires certain existing disclosures to be disaggregated by class of financing receivable, including the rollforward of the allowance for credit losses, with the ending balance further disaggregated on the basis of impairment method. For each disaggregated ending balance, an entity also is required to disclose the related recorded investment in financing receivables, the nonaccrual status of financing receivables, and impaired financing receivables.

ASU 2010-20 also requires new disclosures by class of financing receivable, including credit quality indicators, aging of past due amounts, the nature and extent of troubled debt restructurings and related defaults, and significant purchases and sales of financing receivables disaggregated by portfolio segment.

In January 2011, the FASB issued ASU 2011-01, which temporarily delayed the effective date of the disclosures about troubled debt restructurings in ASU 2010-20.

The provisions of ASU 2010-20 were adopted by the Company on December 31, 2010, and are included in the Financial Instruments note to these Consolidated Financial Statements, except for the disclosures about troubled debt restructurings included in ASU 2011-02, which was adopted by the Company on July 1, 2011 (see above). The disclosures that include information for activity that occurs during a reporting period were adopted by the Company on January 1, 2011 and are included in the Financial Instruments note to these Consolidated Financial Statements. As this pronouncement only pertains to additional disclosure, the adoption had no effect on the Company's financial condition, results of operations, or cash flows.

Scope Exception Related to Embedded Credit Derivatives

In March 2010, the FASB issued ASU 2010-11, "Derivatives and Hedging (ASC Topic 815): Scope Exception Related to Embedded Credit Derivatives" ("ASU 2010-11"), which clarifies that the only type of embedded credit derivatives that are exempt from bifurcation requirements are those that relate to the subordination of one financial instrument to another.

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The provisions of ASU 2010-11 were adopted by the Company on July 1, 2010. The Company determined, however, that there was no effect on the Company's financial condition, results of operations, or cash flows upon adoption, as the guidance is consistent with that previously applied.

Improvements to Financial Reporting by Enterprises Involved in Variable Interest Entities

In December 2009, the FASB issued ASU 2009-17, "Consolidations (ASC Topic 810): Improvements to Financial Reporting by Enterprises Involved in Variable Interest Entities," ("ASU 2009-17"), which eliminates the exemption for qualifying special-purpose entities ("QSPEs"), as well as amends the consolidation guidance for variable interest entities ("VIEs"), as follows:

- Removes the quantitative-based assessment for consolidation of VIEs and, instead, requires a qualitative assessment of whether an entity has the power to direct the VIE's activities, and whether the entity has the obligation to absorb losses or the right to receive benefits that could be significant to the VIE;
- Requires an ongoing reassessment of whether an entity is the primary beneficiary of a VIE; and
- Requires enhanced disclosures, including (i) presentation on the balance sheet of assets and liabilities of consolidated VIEs that meet the separate presentation criteria and disclosure of assets and liabilities recognized on the balance sheet and (ii) the maximum exposure to loss for those VIEs in which a reporting entity is determined not to be the primary beneficiary, but in which the reporting entity has a variable interest.

In addition, in February 2010, the FASB issued ASU 2010-10, "Consolidation (ASC Topic 810): Amendments for Certain Investment Funds" (ASU 2010-10), which defers to ASU 2009-17 for reporting entity's interests in certain investment funds that have attributes of investment companies, for which the reporting entity does not have an obligation to fund losses, and that are not structured as securitization entities.

The provisions of ASU 2009-17 and ASU 2010-10 were adopted on January 1, 2010. The Company determined, however, that there was no effect on the Company's financial condition, results of operations, or cash flows upon adoption, as the consolidation conclusions were consistent with those under previous U.S. GAAP. The disclosure provisions required by ASU 2009-17 are presented in the Financial Instruments note to these Consolidated Financial Statements.

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Recognition and Presentation of Other-than-temporary Impairments

In April 2009, the FASB issued new guidance on recognition and presentation of OTTIs, included in ASC Topic 320, "Investments-Debt and Equity Securities", which requires:

- Noncredit related impairments to be recognized in Other comprehensive income (loss), if management asserts that it does not have the intent to sell the security and that it is more likely than not that the entity will not have to sell the security before recovery of the amortized cost basis;
- Total OTTIs to be presented in the Consolidated Statements of Operations with an offset recognized in AOCI for the noncredit related impairments;
- A cumulative effect adjustment as of the beginning of the period of adoption to reclassify the noncredit component of a previously recognized OTTI from Retained earnings (deficit) to AOCI; and
- Additional interim disclosures for debt and equity securities regarding types of securities held, unrealized losses, and OTTIs.

These provisions, as included in ASC Topic 320, were adopted by the Company on April 1, 2009. As a result of implementation, the Company recognized a cumulative effect of change in accounting principle of \$151.7 after considering the effects of DAC and income taxes of \$(134.0) and \$46.9, respectively, as an increase to April 1, 2009 Retained earnings (deficit) with a corresponding decrease to AOCI, with no overall change to shareholder's equity. See the Investments note to these Consolidated Financial Statements for further information on the Company's OTTIs, including additional required disclosures.

Disclosures about Derivative Instruments and Hedging Activities

In March 2008, the FASB issued new guidance on disclosures about derivative instruments and hedging activities, included in ASC Topic 815, "Derivatives and Hedging", 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; and
- How derivative instruments and related hedged items affect an entity's financial statements.

These provisions, as included in ASC Topic 815, were adopted by the Company on January 1, 2009, and are included in the "Derivative Financial Instruments" section above and the Fair Value Measurements note to these Consolidated Financial Statements. As the pronouncement only pertains to additional disclosure, the adoption had no effect on the Company's financial condition, results of operations, or cash flows.

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Accounting for Transfers of Financial Assets

In December 2009, the FASB issued ASU 2009-16 “Transfers and Servicing (ASC Topic 860): Accounting for Transfers of Financial Assets” (“ASU 2009-16”), which eliminates the QSPE concept and requires a transferor of financial assets to:

- Consider the transferor’s continuing involvement in assets, limiting the circumstances in which a financial asset should be derecognized when the transferor has not transferred the entire asset to an entity that is not consolidated;
- Account for the transfer as a sale only if an entity transfers an entire financial asset and surrenders control, unless the transfer meets the conditions for a participating interest; and
- Recognize and initially measure at fair value all assets obtained and liabilities incurred as a result of a transfer of financial assets accounted for as a sale.

The provisions of ASU 2009-16 were adopted on January 1, 2010. The Company determined, however, that there was no effect on the Company’s financial condition, results of operations, or cash flows upon adoption, as the Company did not have any QSPEs under previous U.S. GAAP, and the requirements for sale accounting treatment are consistent with those previously applied by the Company.

Business Combinations and Non-controlling Interests

Disclosure of Supplementary Pro Forma Information for Business Combinations

In December 2010, the FASB issued ASU 2010-29, “Business Combinations (ASC Topic 805): Disclosure of Supplementary Pro Forma Information for Business Combinations” (“ASU 2010-29”), which clarifies that if an entity presents comparative financial statements, it should disclose revenue and earnings of the combined entity as though the business combination that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period. Also, ASU 2010-29 expands the supplemental pro forma disclosures under Topic 805 to include a description of the nature and amount of material, nonrecurring pro forma adjustments directly attributable to the business combination included in the pro forma revenue and earnings.

The provisions of ASU 2010-29 were adopted by the Company on January 1, 2011 for business combinations occurring on or after that date. The Company determined, however, that there was no effect on the Company’s financial condition, results of operations, cash flows, or disclosures for the year ended December 31, 2011, as there were no business combinations during the period.

Accounting and Reporting for Decreases in Ownership of a Subsidiary

In January 2010, the FASB issued ASU 2010-02 “Consolidations (ASC Topic 810): Accounting and Reporting for Decreases in Ownership of a Subsidiary – a Scope Clarification,” (“ASU 2010-02”), which clarifies that the scope of the decrease in ownership provisions applies to the following:

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- A subsidiary or group of assets that is a business or nonprofit activity;
- A subsidiary that is a business or nonprofit activity that is transferred to an equity method investee or joint venture; and
- An exchange of a group of assets that constitutes a business or nonprofit activity for a noncontrolling interest in an entity (including an equity method investee or joint venture).

ASU 2010-02 also notes that the decrease in ownership guidance does not apply to sales of in substance real estate and expands disclosure requirements.

The provisions of ASU 2010-02 were adopted, retrospectively, by the Company on January 1, 2010. The Company determined, however, that there was no effect on the Company's financial condition, results of operations, or cash flows for the years ended December 31, 2011, 2010, and 2009, as there were no decreases in ownership of a subsidiary during those periods.

Fair Value

Improving Disclosures about Fair Value Measurements

In January 2010, the FASB issued ASU 2010-06, "Fair Value Measurements and Disclosure (ASC Topic 820): Improving Disclosures about Fair Value Measurements," ("ASU 2010-06"), which requires several new disclosures, as well as clarification to existing disclosures, as follows:

- Significant transfers in and out of Level 1 and Level 2 fair value measurements and the reason for the transfers;
- Purchases, sales, issuances, and settlement, in the Level 3 fair value measurements reconciliation on a gross basis;
- Fair value measurement disclosures for each class of assets and liabilities (i.e., disaggregated); and
- Valuation techniques and inputs for both recurring and nonrecurring fair value measurements that fall in either Level 2 or Level 3 fair value measurements.

The provisions of ASU 2010-06 were adopted by the Company on January 1, 2010, except for the disclosures related to the Level 3 reconciliation, which were adopted by the Company on January 1, 2011. The disclosures required by ASU 2010-06 are included in the Financial Instruments note to these Consolidated Financial Statements. As the pronouncement only pertains to additional disclosure, the adoption had no effect on the Company's financial condition, results of operations, or cash flows.

Measuring the Fair Value of Certain Alternative Investments

In September 2009, the FASB issued ASU 2009-12, "Fair Value Measurements and Disclosures (ASC Topic 820): Investments in Certain Entities That Calculate Net Asset

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Value per Share (or Its Equivalent)” (“ASU 2009-12”), which allows the use of net asset value to estimate the fair value of certain alternative investments, such as interests in hedge funds, private equity funds, real estate funds, venture capital funds, offshore fund vehicles, and funds of funds. In addition, ASU 2009-12 requires disclosures about the attributes of such investments.

The provisions of ASU 2009-12 were adopted by the Company on December 31, 2009. The Company determined, however, that there was no effect on the Company’s financial condition, results of operations, or cash flows upon adoption, as its guidance is consistent with that previously applied by the Company. The disclosure provisions required by ASU 2009-12 are presented in the Investments note to these Consolidated Financial Statements.

Interim Disclosures about Fair Value of Financial Instruments

In April 2009, the FASB issued new guidance on interim disclosures about fair value of financial instruments, included in ASC Topic 825, “Financial Instruments”, which requires that the fair value of financial instruments be disclosed in an entity’s interim financial statements, as well as in annual financial statements. The provisions included in ASC Topic 825 also require that fair value information be presented with the related carrying value and that the method and significant assumptions used to estimate fair value, as well as changes in method and significant assumptions, be disclosed.

These provisions, as included in ASC Topic 825, were adopted by the Company on April 1, 2009, and are presented in the Fair Value Measurements note to these Consolidated Financial Statements. The adoption had no effect on the Company’s financial condition, results of operations, or cash flows, as the pronouncement only pertains to additional disclosure.

Other Pronouncements

Presentation of Comprehensive Income

In June 2011, the FASB issued ASU 2011-05, “Comprehensive Income (ASC Topic 220): Presentation of Comprehensive Income” (“ASU 2011-05”), which states that an entity has the option to present total comprehensive income and the components of net income and other comprehensive income either in a single, continuous statement of comprehensive income or in two separate, consecutive statements.

In December 2011, the FASB issued ASU 2011-12, which defers the ASU 2011-05 requirements to present, on the face of the financial statements, the effects of reclassification out of AOCI on the components of net income and other comprehensive income.

The Company early adopted provisions of ASU 2011-05 and ASU 2010-12 as of December 31, 2011, and applied the provisions retrospectively. The Consolidated

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Statement of Comprehensive Income, with corresponding revisions to the Consolidated Statements of Changes in Shareholder's Equity, is included in the Consolidated Financial Statements. In addition, the required disclosures are included in the AOCI note to these Consolidated Financial Statements.

Consolidation Analysis of Investments Held through Separate Accounts

In April 2010, the FASB issued ASU 2010-15, "Financial Services - Insurance ASC Topic 944): How Investments Held through Separate Accounts Affect an Insurer's Consolidation Analysis of Those Investments" ("ASU 2010-15"), which clarifies that an insurance entity generally should not consider any separate account interests in an investment held for the benefit of policyholders to be the insurer's interests, and should not combine those separate account interests with its general account interest in the same investment when assessing the investment for consolidation.

The provisions of ASU 2010-15 were adopted by the Company on January 1, 2011; however, the Company determined that there was no effect on its financial condition, results of operations, or cash flows upon adoption, as the guidance is consistent with that previously applied by the Company.

Subsequent Events

In May 2009, the FASB issued new guidance on subsequent events, included in ASC Topic 855, "Subsequent Events," which establishes:

- The period after the balance sheet date during which an entity should evaluate events or transactions for potential recognition or disclosure in the financial statements;
- The circumstances under which an entity should recognize such events or transactions in its financial statements; and
- Disclosures regarding such events or transactions and the date through which an entity has evaluated subsequent events.

These provisions, as included in ASC Topic 855, were adopted by the Company on June 30, 2009. In addition, in February 2010, the FASB issued ASU 2010-09, "Subsequent Events (Topic 855): Amendments to Certain Recognition and Disclosure Requirements", which clarifies that a Securities and Exchange Commission ("SEC") filer should evaluate subsequent events through the date the financial statements are issued and eliminates the requirement for an SEC filer to disclose that date, effective upon issuance. The Company determined that there was no effect on the Company's financial condition, results of operations, or cash flows upon adoption, as the guidance is consistent with that previously applied by the Company.

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Future Adoption of Accounting Pronouncements

Disclosures about Offsetting Assets & Liabilities

In December 2011, the FASB issued ASU 2011-11, “Balance Sheet (ASC Topic 210): Disclosures about Offsetting Assets and Liabilities” (“ASU 2011-11”), which requires an entity to disclose both gross and net information about instruments and transactions eligible for offset in the statement of financial position, as well as instruments and transactions subject to an agreement similar to a master netting arrangement. In addition, the standard requires disclosure of collateral received and posted in connection with master netting agreements or similar arrangements.

The provisions of ASU 2011-11 are effective, retrospectively, for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual reporting periods. The Company is currently in the process of determining the disclosure impact of adoption of the provisions of ASU 2011-11.

Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards (“IFRSs”)

In May 2011, the FASB issued ASU 2011-04, “Fair Value Measurement (ASC Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs” (“ASU 2011-04”), which includes the following amendments:

- The concepts of highest and best use and valuation premise are relevant only when measuring the fair value of nonfinancial assets;
- The requirements for measuring the fair value of equity instruments are consistent with those for measuring liabilities;
- An entity is permitted to measure the fair value of financial instruments managed within a portfolio at the price that would be received to sell or transfer a net position for a particular risk; and
- The application of premiums and discounts in a fair value measurement is related to the unit of account for the asset or liability.

ASU 2011-04 also requires additional disclosures, including use of a nonfinancial asset in a way that differs from its highest and best use, categorization by level for items in which fair value is required to be disclosed, and further information regarding Level 3 fair value measurements.

The provisions of ASU 2011-04 are effective during interim or annual periods beginning after December 15, 2011, and should be applied prospectively. The Company is currently in the process of determining the impact of adoption of the provisions of ASU 2011-04.

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Reconsideration of Effective Control for Repurchase Agreements

In April 2011, the FASB issued ASU 2011-03, “Transfers and Servicing (ASC Topic 860): Reconsideration of Effective Control for Repurchase Agreements” (“ASU 2011-03”), which removes from the assessment of effective control (1) the criterion requiring the transferor to have the ability to repurchase or redeem the financial assets on substantially the agreed terms, and (2) the collateral maintenance implementation guidance related to that criterion.

The provisions of ASU 2011-03 are effective for the first interim or annual period beginning on or after December 15, 2011, and should be applied prospectively. The Company is currently in the process of determining the impact of adoption of the provisions of ASU 2011-03.

Accounting for Costs Associated with Acquiring or Renewing Insurance Contracts

In October 2010, the FASB issued ASU 2010-26, “Financial Services - Insurance (ASC Topic 944): Accounting for Costs Associated with Acquiring or Renewing Insurance Contracts” (“ASU 2010-26”), which clarifies what costs relating to the acquisition of new or renewal insurance contracts qualify for deferral. Costs that should be capitalized include (1) incremental direct costs of successful contract acquisition and (2) certain costs related directly to successful acquisition activities (underwriting, policy issuance and processing, medical and inspection, and sales force contract selling) performed by the insurer for the contract. Advertising costs should be included in deferred acquisition costs only if the capitalization criteria in the U.S. GAAP direct-response advertising guidance are met. All other acquisition-related costs should be charged to expense as incurred.

The provisions of ASU 2010-26 are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2011. The Company will adopt the guidance retrospectively. The Company currently estimates the adoption will result in a cumulative effect adjustment, reducing Retained earnings by approximately \$440.0 and increasing Other comprehensive income by approximately \$130.0 as of January 1, 2012, after considering the effects of income taxes. These impacts are subject to change as the Company is still in the process of finalizing the impact of adoption of the provisions of ASU 2010-26.

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2. Investments

Fixed Maturities and Equity Securities

Available-for-sale and fair value option fixed maturities and equity securities were as follows as of December 31, 2011.

| | | Gross Unrealized Capital Gains | Gross Unrealized Capital Losses | Fair Value | OTTI⁽²⁾ |
|---|---------------------------|---|--|-----------------------|---------------------------|
| | Amortized Cost | | | | |
| Fixed maturities: | | | | | |
| U.S. Treasuries | \$ 1,096.6 | \$ 135.0 | \$ - | \$ 1,231.6 | \$ - |
| U.S. government agencies and authorities | 379.7 | 31.0 | - | 410.7 | - |
| State, municipalities, and political subdivisions | 95.1 | 10.9 | - | 106.0 | - |
| U.S. corporate securities: | | | | | |
| Public utilities | 1,915.1 | 198.0 | 5.8 | 2,107.3 | - |
| Other corporate securities | 6,251.8 | 572.8 | 25.3 | 6,799.3 | - |
| Total U.S. corporate securities | 8,166.9 | 770.8 | 31.1 | 8,906.6 | - |
| Foreign securities ⁽¹⁾ : | | | | | |
| Government | 308.5 | 39.8 | 3.1 | 345.2 | - |
| Other | 4,352.5 | 328.8 | 38.4 | 4,642.9 | - |
| Total foreign securities | 4,661.0 | 368.6 | 41.5 | 4,988.1 | - |
| Residential mortgage-backed securities | 1,955.4 | 285.4 | 52.9 | 2,187.9 | 29.5 |
| Commercial mortgage-backed securities | 866.1 | 51.0 | 5.8 | 911.3 | 4.4 |
| Other asset-backed securities | 441.5 | 19.4 | 22.1 | 438.8 | 4.2 |
| Total fixed maturities, including securities pledged | 17,662.3 | 1,672.1 | 153.4 | 19,181.0 | 38.1 |
| Less: securities pledged | 572.5 | 22.4 | 1.2 | 593.7 | - |
| Total fixed maturities | 17,089.8 | 1,649.7 | 152.2 | 18,587.3 | 38.1 |
| Equity securities | 131.8 | 13.1 | - | 144.9 | - |
| Total investments | \$ 17,221.6 | \$ 1,662.8 | \$ 152.2 | \$ 18,732.2 | \$ 38.1 |
| ⁽¹⁾ Primarily U.S. dollar denominated. | | | | | |
| ⁽²⁾ Represents other-than-temporary impairments reported as a component of Other comprehensive income ("noncredit impairments"). | | | | | |

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Available-for-sale and fair value option fixed maturities and equity securities were as follows as of December 31, 2010.

| | | Gross | Gross | | |
|---|------------------|-------------------|-------------------|--------------|---------------------------|
| | | Unrealized | Unrealized | | |
| | Amortized | Capital | Capital | Fair | |
| | Cost | Gains | Losses | Value | OTTI⁽²⁾ |
| Fixed maturities: | | | | | |
| U.S. Treasuries | \$ 717.0 | \$ 4.7 | \$ 7.3 | \$ 714.4 | \$ - |
| U.S. government agencies and authorities | 536.7 | 45.9 | - | 582.6 | - |
| State, municipalities, and political subdivisions | 145.9 | 5.0 | 10.2 | 140.7 | - |
| U.S. corporate securities: | | | | | |
| Public utilities | 1,442.0 | 73.5 | 13.3 | 1,502.2 | - |
| Other corporate securities | 5,380.1 | 392.0 | 31.1 | 5,741.0 | 0.3 |
| Total U.S. corporate securities | 6,822.1 | 465.5 | 44.4 | 7,243.2 | 0.3 |
| Foreign securities ⁽¹⁾ : | | | | | |
| Government | 446.3 | 39.6 | 5.0 | 480.9 | - |
| Other | 4,089.5 | 240.5 | 37.4 | 4,292.6 | 0.1 |
| Total foreign securities | 4,535.8 | 280.1 | 42.4 | 4,773.5 | 0.1 |
| Residential mortgage-backed securities | 2,116.0 | 296.9 | 57.5 | 2,355.4 | 28.8 |
| Commercial mortgage-backed securities | 1,005.6 | 54.2 | 30.2 | 1,029.6 | 14.5 |
| Other asset-backed securities | 615.3 | 16.2 | 42.7 | 588.8 | 15.7 |
| Total fixed maturities, including securities pledged | 16,494.4 | 1,168.5 | 234.7 | 17,428.2 | 59.4 |
| Less: securities pledged | 936.5 | 35.0 | 9.3 | 962.2 | - |
| Total fixed maturities | 15,557.9 | 1,133.5 | 225.4 | 16,466.0 | 59.4 |
| Equity securities | 179.6 | 21.0 | - | 200.6 | - |
| Total investments | \$ 15,737.5 | \$ 1,154.5 | \$ 225.4 | \$ 16,666.6 | \$ 59.4 |
| ⁽¹⁾ Primarily U.S. dollar denominated. | | | | | |
| ⁽²⁾ Represents other-than-temporary impairments reported as a component of Other comprehensive income ("noncredit impairments"). | | | | | |

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The amortized cost and fair value of total fixed maturities, including securities pledged, as of December 31, 2011, are shown below by contractual maturity. Actual maturities may differ from contractual maturities as securities may be restructured, called, or prepaid. MBS and other ABS are shown separately because they are not due at a single maturity date.

| | Amortized Cost | Fair Value |
|--|--------------------|--------------------|
| Due to mature: | | |
| One year or less | \$ 271.1 | \$ 288.4 |
| After one year through five years | 4,147.2 | 4,375.9 |
| After five years through ten years | 5,199.4 | 5,587.3 |
| After ten years | 4,781.6 | 5,391.4 |
| Mortgage-backed securities | 2,821.5 | 3,099.2 |
| Other asset-backed securities | 441.5 | 438.8 |
| Fixed maturities, including securities pledged | <u>\$ 17,662.3</u> | <u>\$ 19,181.0</u> |

The Company did not have any investments in a single issuer, other than obligations of the U.S. government and government agencies and the State of the Netherlands (the “Dutch State”) loan obligation, with a carrying value in excess of 10% of the Company’s Shareholder’s equity at December 31, 2011 and 2010.

At December 31, 2011 and 2010, fixed maturities with fair values of \$13.6 and \$13.4, respectively, were on deposit as required by regulatory authorities.

The Company invests in various categories of CMOs, including CMOs that are not agency-backed, that are subject to different degrees of risk from changes in interest rates and 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, 2011 and 2010, approximately 42.5% and 36.5%, respectively, of the Company’s CMO holdings were invested in those types of CMOs, such as interest-only or principal only strips, which are subject to more prepayment and extension risk than traditional CMOs.

Certain CMOs, primarily interest-only and principal-only strips, are accounted for as hybrid instruments and valued at fair value with changes in the fair value reported in Other net realized gains (losses) in the Consolidated Statements of Operations.

Transfer of Alt-A RMBS Participation Interest and Related Loan to Dutch State

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 covering 80% of ING’s Alt-A RMBS. Refer to the Related Party

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Transactions note to these Consolidated Financial Statements for further details of these agreements.

Variable Interest Entities

The Company holds certain VIEs for investment purposes. VIEs may be in the form of private placement securities, structured securities, securitization transactions, or limited partnerships. The Company has reviewed each of its holdings and determined that consolidation of these investments in the Company's financial statements is not required, as the Company is not the primary beneficiary, because the Company does not have both the power to direct the activities that most significantly impact the entity's economic performance and the obligation or right to potentially significant losses or benefits, for any of its investments in VIEs. The Company provided no non-contractual financial support and its carrying value represents the Company's exposure to loss. The carrying value of collateralized loan obligations ("CLOs") of \$0.9 and \$0.6 at December 31, 2011 and 2010, respectively, is included in Limited partnerships/corporations on the Consolidated Balance Sheets. Income and losses recognized on these investments are reported in Net investment income on the Consolidated Statements of Operations.

Securitizations

The Company invests in various tranches of securitization entities, including RMBS, CMBS and ABS. Some RMBS investments are in various senior level tranches of mortgage securitizations issued and guaranteed by Fannie Mae, Freddie Mac, or a similar government-sponsored entity, typically referred to as "agency pass-through" investments. These securitizations pool residential mortgages and pass through the principal and interest to investors based on the terms of each tranche or portion of the total pool. Investments held by the Company in non-agency RMBS and CMBS also include interest-only, principal-only, and inverse floating securities. Through its investments, the Company is not obligated to provide any financial or other support to these entities.

Each of the RMBS, CMBS, and ABS entities described above are thinly capitalized by design, and considered VIEs under ASC 810-10-25 as amended by ASU 2009-17. As discussed above, the Company's involvement with these entities is limited to that of a passive investor. The Company has no unilateral right to appoint or remove the servicer, special servicer, or investment manager, which are generally viewed to have the power to direct the activities that most significantly impact the securitization entities' economic performance, in any of these entities, nor does the Company function in any of these roles. The Company through its investments or other arrangements does not have the obligation to absorb losses or the right to receive benefits from the entity that could potentially be significant to the entity. Therefore, the Company is not the primary beneficiary and will not consolidate any of the RMBS, CMBS, and ABS entities in which it holds investments. These investments are accounted for as investments as described in

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the Business, Basis of Presentation and Significant Accounting Policies note to these Consolidated Financial Statements.

Fixed Maturity Securities Credit Quality - Ratings

The Securities Valuation Office ("SVO") of the National Association of Insurance Commissioners ("NAIC") evaluates the fixed maturity security investments of insurers for regulatory reporting and capital assessment purposes and assigns securities to one of six credit quality categories called "NAIC designations." An internally developed rating is used as permitted by the NAIC if no rating is available. The NAIC designations are generally similar to the credit quality designations of a Nationally Recognized Statistical Rating Organization ("NRSRO") for marketable fixed maturity securities, called "rating agency designations," except for certain structured securities as described below. NAIC designations of "1," highest quality, and "2," high quality, include fixed maturity securities generally considered investment grade ("IG") by such rating organizations. NAIC designations 3 through 6 include fixed maturity securities generally considered below investment grade ("BIG") by such rating organizations.

The NAIC adopted revised designation methodologies for non-agency RMBS, including RMBS backed by subprime mortgage loans reported within ABS, that became effective December 31, 2009 and for CMBS that became effective December 31, 2010. The NAIC's objective with the revised designation methodologies for these structured securities was to increase the accuracy in assessing expected losses, and to use the improved assessment to determine a more appropriate capital requirement for such structured securities. The revised methodologies reduce regulatory reliance on rating agencies and allow for greater regulatory input into the assumptions used to estimate expected losses from such structured securities.

As a result of time lags between the funding of investments, the finalization of legal documents and the completion of the SVO filing process, the fixed maturity portfolio generally includes securities that have not yet been rated by the SVO as of each balance sheet date, such as private placements. Pending receipt of SVO ratings, the categorization of these securities by NAIC designation is based on the expected ratings indicated by internal analysis.

Information about the Company's fixed maturity securities holdings, including securities pledged, by NAIC designations is set forth in the following tables. Corresponding rating agency designation does not directly translate into NAIC designation, but represents the Company's best estimate of comparable ratings from rating agencies, including Moody's, S&P, and Fitch. If no rating is available from a rating agency, then an internally developed rating is used.

It is management's objective that the portfolio of fixed maturities be of high quality and be well diversified by market sector. The fixed maturities in the Company's portfolio are

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generally rated by external rating agencies and, if not externally rated, are rated by the Company on a basis believed to be similar to that used by the rating agencies. Ratings are derived from three NRSRO ratings and are applied as follows based on the number of agency rating received:

- when three ratings are received then the middle rating is applied;
- when two ratings are received then the lower rating is applied;
- when a single rating is received, the NRSRO rating is applied;
- and, when ratings are unavailable then an internal rating is applied.

Unrealized Capital Losses

Unrealized capital losses (including noncredit impairments) in fixed maturities, including securities pledged to creditors, for IG and BIG securities by duration, based on NAIC designations, were as follows at December 31, 2011 and 2010.

| | 2011 | | | | 2010 | | | |
|--|----------|-----------------|---------|-----------------|----------|-----------------|---------|-----------------|
| | IG | % of IG and BIG | BIG | % of IG and BIG | IG | % of IG and BIG | BIG | % of IG and BIG |
| Six months or less | | | | | | | | |
| below amortized cost | \$ 38.4 | 25.0% | \$ 7.1 | 4.6% | \$ 72.0 | 30.6% | \$ 12.6 | 5.4% |
| More than six months and twelve months or less | | | | | | | | |
| below amortized cost | 12.5 | 8.1% | 4.1 | 2.7% | 0.9 | 0.4% | 1.1 | 0.5% |
| More than twelve months | | | | | | | | |
| below amortized cost | 61.4 | 40.1% | 29.9 | 19.5% | 106.5 | 45.4% | 41.6 | 17.7% |
| Total unrealized capital loss | \$ 112.3 | 73.2% | \$ 41.1 | 26.8% | \$ 179.4 | 76.4% | \$ 55.3 | 23.6% |

Unrealized capital losses (including noncredit impairments) in fixed maturities, including securities pledged to creditors, for securities rated BBB and above (Investment Grade (“IG”)) and securities rated BB and below (Below Investment Grade (“BIG”)) by duration, based on NRSRO ratings, were as follows at December 31, 2011 and 2010.

| | 2011 | | | | 2010 | | | |
|--|---------|-----------------|---------|-----------------|----------|-----------------|---------|-----------------|
| | IG | % of IG and BIG | BIG | % of IG and BIG | IG | % of IG and BIG | BIG | % of IG and BIG |
| Six months or less | | | | | | | | |
| below amortized cost | \$ 38.3 | 25.0% | \$ 7.2 | 4.7% | \$ 72.0 | 30.6% | \$ 12.6 | 5.4% |
| More than six months and twelve months or less | | | | | | | | |
| below amortized cost | 6.8 | 4.4% | 9.8 | 6.4% | 1.6 | 0.7% | 0.4 | 0.2% |
| More than twelve months | | | | | | | | |
| below amortized cost | 42.1 | 27.4% | 49.2 | 32.1% | 70.9 | 30.2% | 77.2 | 32.9% |
| Total unrealized capital loss | \$ 87.2 | 56.8% | \$ 66.2 | 43.2% | \$ 144.5 | 61.5% | \$ 90.2 | 38.5% |

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Unrealized capital losses (including noncredit impairments), along with the fair value of fixed maturities, including securities pledged to creditors, by market sector and duration were as follows as of December 31, 2011 and 2010.

| | | | More Than Six Months and Twelve | | More Than Twelve | | | |
|---|----------------------|----------------------------|------------------------------------|----------------------------|------------------|----------------------------|-------------------|----------------------------|
| | Six Months or Less | | Months or Less | | Months Below | | | |
| | Below Amortized Cost | | Below Amortized Cost | | Amortized Cost | | Total | |
| | Fair Value | Unrealized Capital Loss | Fair Value | Unrealized Capital Loss | Fair Value | Unrealized Capital Loss | Fair Value | Unrealized Capital Loss |
| 2011 | | | | | | | | |
| U.S. Treasuries | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| U.S. corporate, state, and municipalities | 595.1 | 22.8 | 46.5 | 3.0 | 52.9 | 5.3 | 694.5 | 31.1 |
| Foreign | 435.3 | 19.1 | 49.9 | 4.6 | 169.5 | 17.8 | 654.7 | 41.5 |
| Residential | | | | | | | | |
| mortgage-backed | 49.4 | 1.6 | 97.0 | 5.2 | 175.4 | 46.1 | 321.8 | 52.9 |
| Commercial | | | | | | | | |
| mortgage-backed | 28.3 | 1.8 | 69.0 | 2.5 | 8.9 | 1.5 | 106.2 | 5.8 |
| Other asset-backed | 32.6 | 0.2 | 4.9 | 1.3 | 44.1 | 20.6 | 81.6 | 22.1 |
| Total | <u>\$ 1,140.7</u> | <u>\$ 45.5</u> | <u>\$ 267.3</u> | <u>\$ 16.6</u> | <u>\$ 450.8</u> | <u>\$ 91.3</u> | <u>\$ 1,858.8</u> | <u>\$ 153.4</u> |
| 2010 | | | | | | | | |
| U.S. Treasuries | \$ 475.6 | \$ 7.3 | \$ - | \$ - | \$ - | \$ - | \$ 475.6 | \$ 7.3 |
| U.S. corporate, state, and municipalities | 1,043.1 | 38.6 | 21.8 | 1.1 | 142.9 | 14.9 | 1,207.8 | 54.6 |
| Foreign | 866.3 | 30.1 | 14.9 | 0.9 | 101.7 | 11.4 | 982.9 | 42.4 |
| Residential | | | | | | | | |
| mortgage-backed | 400.5 | 6.8 | 0.2 | - | 240.7 | 50.7 | 641.4 | 57.5 |
| Commercial | | | | | | | | |
| mortgage-backed | 5.1 | - | - | - | 184.0 | 30.2 | 189.1 | 30.2 |
| Other asset-backed | 121.4 | 1.8 | 0.1 | - | 132.1 | 40.9 | 253.6 | 42.7 |
| Total | <u>\$ 2,912.0</u> | <u>\$ 84.6</u> | <u>\$ 37.0</u> | <u>\$ 2.0</u> | <u>\$ 801.4</u> | <u>\$ 148.1</u> | <u>\$ 3,750.4</u> | <u>\$ 234.7</u> |

Of the unrealized capital losses aged more than twelve months, the average market value of the related fixed maturities was 83.2% of the average book value as of December 31, 2011.

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Unrealized capital losses (including noncredit impairments) in fixed maturities, including securities pledged to creditors, for instances in which fair value declined below amortized cost by greater than or less than 20% for consecutive periods as indicated in the tables below, were as follows for December 31, 2011 and 2010.

| | | | | Amortized Cost | | Unrealized Capital Loss | | Number of Securities | |
|--------------------------|-----------------------|--|--|-------------------|-----------------|-------------------------|-----------------|----------------------|-----------|
| | | | | < 20% | > 20% | < 20% | > 20% | < 20% | > 20% |
| 2011 | | | | | | | | | |
| Six months or less | | | | | | | | | |
| | below amortized cost | | | \$ 1,197.2 | \$ 60.1 | \$ 46.9 | \$ 16.9 | 256 | 31 |
| More than six months and | | | | | | | | | |
| | twelve months or less | | | | | | | | |
| | below amortized cost | | | 270.3 | 25.1 | 13.9 | 9.1 | 52 | 9 |
| More than twelve months | | | | | | | | | |
| | below amortized cost | | | 355.6 | 103.9 | 26.7 | 39.9 | 129 | 37 |
| Total | | | | <u>\$ 1,823.1</u> | <u>\$ 189.1</u> | <u>\$ 87.5</u> | <u>\$ 65.9</u> | <u>437</u> | <u>77</u> |
| 2010 | | | | | | | | | |
| Six months or less | | | | | | | | | |
| | below amortized cost | | | \$ 3,190.2 | \$ 68.6 | \$ 98.5 | \$ 22.3 | 491 | 19 |
| More than six months and | | | | | | | | | |
| | twelve months or less | | | | | | | | |
| | below amortized cost | | | 129.3 | 19.6 | 8.2 | 4.6 | 52 | 3 |
| More than twelve months | | | | | | | | | |
| | below amortized cost | | | 353.5 | 223.9 | 23.2 | 77.9 | 87 | 69 |
| Total | | | | <u>\$ 3,673.0</u> | <u>\$ 312.1</u> | <u>\$ 129.9</u> | <u>\$ 104.8</u> | <u>630</u> | <u>91</u> |

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Unrealized capital losses (including noncredit impairments) in fixed maturities, including securities pledged to creditors, by market sector for instances in which fair value declined below amortized cost by greater than or less than 20% for consecutive periods as indicated in the tables below, were as follows for December 31, 2011 and 2010.

| | Amortized Cost | | Unrealized Capital Loss | | Number of Securities | |
|--|----------------|----------|-------------------------|----------|----------------------|-------|
| | < 20% | > 20% | < 20% | > 20% | < 20% | > 20% |
| 2011 | | | | | | |
| U.S. Treasuries | \$ - | \$ - | \$ - | \$ - | - | - |
| U.S. corporate, state and municipalities | 717.7 | 7.9 | 28.8 | 2.3 | 119 | 3 |
| Foreign | 670.5 | 25.7 | 31.9 | 9.6 | 122 | 7 |
| Residential mortgage-backed | 276.5 | 98.2 | 19.0 | 33.9 | 119 | 47 |
| Commercial mortgage-backed | 110.1 | 1.9 | 5.4 | 0.4 | 16 | 1 |
| Other asset-backed | 48.3 | 55.4 | 2.4 | 19.7 | 61 | 19 |
| Total | \$ 1,823.1 | \$ 189.1 | \$ 87.5 | \$ 65.9 | 437 | 77 |
| 2010 | | | | | | |
| U.S. Treasuries | \$ 482.9 | \$ - | \$ 7.3 | \$ - | 3 | - |
| U.S. corporate, state and municipalities | 1,218.7 | 43.7 | 40.2 | 14.4 | 188 | 5 |
| Foreign | 1,013.7 | 11.6 | 39.6 | 2.8 | 137 | 4 |
| Residential mortgage-backed | 599.6 | 99.3 | 25.7 | 31.8 | 160 | 47 |
| Commercial mortgage-backed | 155.1 | 64.2 | 9.5 | 20.7 | 19 | 5 |
| Other asset-backed | 203.0 | 93.3 | 7.6 | 35.1 | 123 | 30 |
| Total | \$ 3,673.0 | \$ 312.1 | \$ 129.9 | \$ 104.8 | 630 | 91 |

At December 31, 2011, the Company held no fixed maturity with an unrealized capital loss in excess of \$10.0. At December 31, 2010, the Company held 1 fixed maturity with an unrealized capital loss in excess of \$10.0. The unrealized capital loss on this fixed maturity equaled \$10.0, or 4.3% of the total unrealized capital losses, as of December 31, 2010.

All investments with fair values less than amortized cost are included in the Company's other-than-temporary impairment analysis, and impairments were recognized as disclosed in OTTI, which follows this section. After detailed impairment analysis was completed, management determined that the remaining investments in an unrealized loss position were not other-than-temporarily impaired, and therefore no further other-than-temporary impairment was necessary.

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Other-Than-Temporary Impairments

The following tables identify the Company's credit-related and intent-related impairments included in the Consolidated Statements of Operations, excluding noncredit impairments included in AOCI, by type for the years ended December 31, 2011, 2010, and 2009.

| | 2011 | | 2010 | | 2009 | |
|---|------------|------------|------------|------------|------------|------------|
| | | No. of | | No. of | | No. of |
| | Impairment | Securities | Impairment | Securities | Impairment | Securities |
| U.S. Treasuries | \$ - | - | \$ 1.7 | 1 | \$ 156.0 | 15 |
| Public utilities | - | - | 1.3 | 5 | - | - |
| Other U.S. corporate | 20.4 | 17 | 5.3 | 19 | 47.8 | 57 |
| Foreign ⁽¹⁾ | 27.8 | 50 | 42.4 | 20 | 50.6 | 42 |
| Residential mortgage-backed | 8.2 | 38 | 14.8 | 53 | 31.6 | 69 |
| Commercial mortgage-backed | 28.2 | 8 | 20.5 | 8 | 17.7 | 11 |
| Other asset-backed | 22.7 | 53 | 58.5 | 42 | 43.4 | 32 |
| Limited partnerships | - | - | 1.6 | 4 | 17.6 | 17 |
| Equity securities | - | - | - * | 1 | 19.5 | 9 |
| Mortgage loans on real estate | - | - | 1.0 | 1 | 10.3 | 4 |
| Total | \$ 107.3 | 166 | \$ 147.1 | 154 | \$ 394.5 | 256 |
| * Less than \$0.1. | | | | | | |
| ⁽¹⁾ Primarily U.S. dollar denominated. | | | | | | |

The above tables include \$17.6, \$48.4, and \$112.2 for the years ended December 31, 2011, 2010, and 2009, respectively, in other-than-temporary write-downs related to credit impairments, which are recognized in earnings. The remaining \$89.7, \$98.7, and \$282.3, in write-downs for the years ended December 31, 2011, 2010, and 2009, respectively, are related to intent impairments.

The following tables summarize these intent impairments, which are also recognized in earnings, by type for the years ended December 31, 2011, 2010, and 2009.

| | 2011 | | 2010 | | 2009 | |
|---|------------|------------|------------|------------|------------|------------|
| | | No. of | | No. of | | No. of |
| | Impairment | Securities | Impairment | Securities | Impairment | Securities |
| U.S. Treasuries | \$ - | - | \$ 1.7 | 1 | \$ 156.0 | 15 |
| Public utilities | - | - | 1.4 | 5 | - | - |
| Other U.S. corporate | 20.4 | 17 | 5.3 | 19 | 35.9 | 42 |
| Foreign ⁽¹⁾ | 23.7 | 46 | 28.5 | 15 | 48.7 | 41 |
| Residential mortgage-backed | 1.6 | 7 | 8.6 | 18 | 2.4 | 1 |
| Commercial mortgage-backed | 22.9 | 8 | 16.2 | 6 | 17.7 | 11 |
| Other asset-backed | 21.1 | 50 | 37.0 | 26 | 21.6 | 10 |
| Total | \$ 89.7 | 128 | \$ 98.7 | 90 | \$ 282.3 | 120 |
| ⁽¹⁾ Primarily U.S. dollar denominated. | | | | | | |

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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.

The fair value of fixed maturities with other-than-temporary impairments as of December 31, 2011, 2010, and 2009 was \$1.9 billion, \$2.0 billion, and \$3.0 billion, respectively.

The following tables identify the amount of credit impairments on fixed maturities for the years ended December 31, 2011, 2010, and 2009, for which a portion of the OTTI was recognized in AOCI, and the corresponding changes in such amounts.

| | 2011 | 2010 | 2009 |
|--|---------|---------|---------|
| Balance at January 1 | \$ 50.7 | \$ 46.0 | \$ - |
| Implementation of OTTI guidance included in ASC Topic 320 ⁽¹⁾ | - | - | 25.1 |
| Additional credit impairments: | | | |
| On securities not previously impaired | 0.9 | 12.0 | 13.6 |
| On securities previously impaired | 6.7 | 11.7 | 8.8 |
| Reductions: | | | |
| Intent impairments | (8.7) | (5.9) | - |
| Securities sold, matured, prepaid or paid down | (30.2) | (13.1) | (1.5) |
| Balance at December 31 | \$ 19.4 | \$ 50.7 | \$ 46.0 |
| ⁽¹⁾ Represents credit losses remaining in Retained earnings related to the adoption of new guidance on OTTI, included in ASC Topic 320, on April 1, 2009. | | | |

Net Investment Income

Sources of Net investment income were as follows for the years ended December 31, 2011, 2010, and 2009.

| | 2011 | 2010 | 2009 |
|---|------------|------------|------------|
| Fixed maturities | \$ 1,224.2 | \$ 1,182.4 | \$ 1,125.7 |
| Equity securities, available-for-sale | 13.6 | 15.3 | 15.4 |
| Mortgage loans on real estate | 118.1 | 104.0 | 113.4 |
| Real estate | - | - | 6.6 |
| Policy loans | 13.7 | 13.3 | 13.7 |
| Short-term investments and cash equivalents | 0.8 | 0.8 | 2.4 |
| Limited partnerships/corporations | 84.2 | 56.4 | (7.2) |
| Other | 11.3 | 11.6 | 11.9 |
| Gross investment income | 1,465.9 | 1,383.8 | 1,281.9 |
| Less: investment expenses | 45.0 | 41.5 | 39.8 |
| Net investment income | \$ 1,420.9 | \$ 1,342.3 | \$ 1,242.1 |

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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 credit-related and intent-related other-than-temporary impairment of investments and changes in fair value of fixed maturities accounted for using the fair value option and derivatives. The cost of the investments on disposal is generally determined based on first-in-first-out (“FIFO”) methodology. Net realized capital gains (losses) on investments were as follows for the years ended December 31, 2011, 2010, and 2009.

| | 2011 | 2010 | 2009 |
|---|----------|-----------|------------|
| Fixed maturities, available-for-sale, including | | | |
| securities pledged | \$ 112.6 | \$ 38.7 | \$ (15.1) |
| Fixed maturities, at fair value using the fair value option | (60.6) | (39.2) | 57.0 |
| Equity securities, available-for-sale | 7.4 | 4.1 | (2.9) |
| Derivatives | (59.4) | (36.6) | (267.6) |
| Other investments | 0.3 | 4.9 | (16.9) |
| Net realized capital gains (losses) | \$ 0.3 | \$ (28.1) | \$ (245.5) |
| After-tax net realized capital gains (losses) | \$ 0.2 | \$ 1.5 | \$ (67.4) |

Proceeds from the sale of fixed maturities and equity securities and the related gross realized gains and losses were as follows for the periods ended December 31, 2011, 2010, and 2009.

| | 2011 | 2010 | 2009 |
|-------------------|------------|------------|------------|
| Proceeds on sales | \$ 5,596.3 | \$ 5,312.9 | \$ 4,674.6 |
| Gross gains | 249.0 | 213.6 | 228.5 |
| Gross losses | 33.6 | 27.8 | 87.4 |

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3. Financial Instruments

The following tables present the Company's hierarchy for its assets and liabilities measured at fair value on a recurring basis as of December 31, 2011 and 2010.

| | | | | | 2011 | | | |
|--|--|--|--|--|-------------|-------------|------------------------|-------------|
| | | | | | Level 1 | Level 2 | Level 3 ⁽¹⁾ | Total |
| Assets: | | | | | | | | |
| Fixed maturities, including securities pledged: | | | | | | | | |
| | U.S. Treasuries | | | | \$ 1,180.3 | \$ 51.3 | \$ - | \$ 1,231.6 |
| | U.S. government agencies and authorities | | | | - | 410.7 | - | 410.7 |
| | U.S. corporate, state and municipalities | | | | - | 8,883.5 | 129.1 | 9,012.6 |
| | Foreign | | | | - | 4,937.0 | 51.1 | 4,988.1 |
| | Residential mortgage-backed securities | | | | - | 2,146.9 | 41.0 | 2,187.9 |
| | Commercial mortgage-backed securities | | | | - | 911.3 | - | 911.3 |
| | Other asset-backed securities | | | | - | 411.1 | 27.7 | 438.8 |
| | Equity securities, available-for-sale | | | | 125.9 | - | 19.0 | 144.9 |
| Derivatives: | | | | | | | | |
| | Interest rate contracts | | | | 5.7 | 496.8 | - | 502.5 |
| | Foreign exchange contracts | | | | - | 0.7 | - | 0.7 |
| | Credit contracts | | | | - | 2.6 | - | 2.6 |
| Cash and cash equivalents, short-term investments, and short-term investments under securities loan agreement | | | | | | | | |
| | | | | | 953.9 | 4.8 | - | 958.7 |
| | Assets held in separate accounts | | | | 40,556.8 | 4,722.3 | 16.1 | 45,295.2 |
| Total | | | | | \$ 42,822.6 | \$ 22,979.0 | \$ 284.0 | \$ 66,085.6 |
| Liabilities: | | | | | | | | |
| | Product guarantees | | | | \$ - | \$ - | \$ 221.0 | \$ 221.0 |
| | Fixed Indexed Annuities | | | | - | - | 16.3 | 16.3 |
| Derivatives: | | | | | | | | |
| | Interest rate contracts | | | | - | 306.4 | - | 306.4 |
| | Foreign exchange contracts | | | | - | 32.4 | - | 32.4 |
| | Credit contracts | | | | - | 8.6 | 12.6 | 21.2 |
| Total | | | | | \$ - | \$ 347.4 | \$ 249.9 | \$ 597.3 |
| ⁽¹⁾ Level 3 net assets and liabilities accounted for 0.1% 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 0.1%. | | | | | | | | |

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| | | | | | 2010 | | | |
|--|--|--|--|--|--------------------|--------------------|------------------------|--------------------|
| | | | | | Level 1 | Level 2 | Level 3 ⁽ⁱ⁾ | Total |
| Assets: | | | | | | | | |
| Fixed maturities, including securities pledged: | | | | | | | | |
| | U.S. Treasuries | | | | \$ 646.1 | \$ 68.3 | \$ - | \$ 714.4 |
| | U.S. government agencies and authorities | | | | - | 582.6 | - | 582.6 |
| | U.S. corporate, state and municipalities | | | | - | 7,372.7 | 11.2 | 7,383.9 |
| | Foreign | | | | - | 4,762.1 | 11.4 | 4,773.5 |
| | Residential mortgage-backed securities | | | | - | 2,102.9 | 252.5 | 2,355.4 |
| | Commercial mortgage-backed securities | | | | - | 1,029.6 | - | 1,029.6 |
| | Other asset-backed securities | | | | - | 341.1 | 247.7 | 588.8 |
| | Equity securities, available-for-sale | | | | 172.9 | - | 27.7 | 200.6 |
| Derivatives: | | | | | | | | |
| | Interest rate contracts | | | | 3.5 | 223.3 | - | 226.8 |
| | Foreign exchange contracts | | | | - | 0.7 | - | 0.7 |
| | Credit contracts | | | | - | 6.7 | - | 6.7 |
| Cash and cash equivalents, short-term investments, and short-term investments under securities loan agreement | | | | | 1,128.8 | - | - | 1,128.8 |
| Assets held in separate accounts | | | | | 42,337.4 | 4,129.4 | 22.3 | 46,489.1 |
| Total | | | | | <u>\$ 44,288.7</u> | <u>\$ 20,619.4</u> | <u>\$ 572.8</u> | <u>\$ 65,480.9</u> |
| Liabilities: | | | | | | | | |
| | Product guarantees | | | | \$ - | \$ - | \$ 3.0 | \$ 3.0 |
| | Fixed Indexed Annuities | | | | - | - | 5.6 | 5.6 |
| Derivatives: | | | | | | | | |
| | Interest rate contracts | | | | 0.1 | 227.0 | - | 227.1 |
| | Foreign exchange contracts | | | | - | 38.5 | - | 38.5 |
| | Credit contracts | | | | - | 1.1 | 13.6 | 14.7 |
| Total | | | | | <u>\$ 0.1</u> | <u>\$ 266.6</u> | <u>\$ 22.2</u> | <u>\$ 288.9</u> |
| ⁽ⁱ⁾ Level 3 net assets and liabilities accounted for 0.8% 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 2.8%. | | | | | | | | |

Transfers in and out of Level 1 and 2

There were no transfers between Level 1 and Level 2 for the year ended December 31, 2011.

During 2010, certain U.S. Treasury securities valued by commercial pricing services where prices are derived using market observable inputs have been transferred from Level 1 to Level 2. These securities for the year ended December 31, 2010, include U.S. Treasury strips of \$60.6 in which prices are modeled incorporating 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. The

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Company's policy is to recognize transfers in and transfers out as of the beginning of the reporting period.

Valuation of Financial Assets and Liabilities

As described below, certain assets and liabilities are measured at estimated fair value on the Company's Consolidated Balance Sheets. In addition, further disclosure of estimated fair values is included in this Financial Instruments note. The Company defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The exit price and the transaction (or entry) price will be the same at initial recognition in many circumstances. However, in certain cases, the transaction price may not represent fair value. The fair value of a liability is based on the amount that would be paid to transfer a liability to a third-party with an equal credit standing. Fair value is required to be a market-based measurement which is determined based on a hypothetical transaction at the measurement date, from a market participant's perspective. The Company considers three broad valuation techniques when a quoted price is unavailable: (i) the market approach, (ii) the income approach and (iii) the cost approach. The Company determines the most appropriate valuation technique to use, given the instrument being measured and the availability of sufficient inputs. The Company prioritizes the inputs to fair valuation techniques and allows for the use of unobservable inputs to the extent that observable inputs are not available.

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 ASC Topic 820. 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 brokers and third party commercial pricing services are non-binding. The Company reviews the assumptions and inputs used by third party commercial pricing services for each reporting period in order to determine an appropriate fair value hierarchy level. The documentation and analysis obtained from the third party commercial pricing services are reviewed by the Company, including in-depth validation procedures confirming the observability of inputs. The valuations are reviewed and validated monthly through the internal valuation committee price variance review, comparisons to internal pricing models, back testing to recent trades, or monitoring of trading volumes.

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 during 2011 and 2010, except for the Company's use of commercial pricing services to value certain CMOs

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which commenced in the first quarter of 2010. Certain CMOs were previously valued using an average of broker quotes when more than one broker quote is provided.

The following valuation methods and assumptions were used by the Company in estimating reported values for the investments and derivatives described below:

Fixed maturities: The fair values for the actively traded marketable bonds are determined based upon the quoted market prices and are classified as Level 1 assets. Assets in this category would primarily include certain U.S. Treasury securities. 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 and are classified as Level 2 assets. This category includes U.S. and foreign corporate bonds, ABS, U.S. agency and government guaranteed securities, CMBS, and RMBS, including certain CMO assets and subprime RMBS. During the first quarter of 2011, the market for subprime RMBS had been determined to be active, and as such, these securities are now included in Level 2 of the valuation hierarchy.

Generally, the Company does not obtain more than one vendor price from pricing services per instrument. The Company uses a hierarchy process in which prices are obtained from a primary vendor, and, if that vendor is unable to provide the price, the next vendor in the hierarchy is contacted until a price is obtained or it is determined that a price cannot be obtained from a commercial pricing service. When a price cannot be obtained from a commercial pricing service, independent broker quotes are solicited. Securities priced using independent broker quotes are classified as Level 3.

Broker quotes and prices obtained from pricing services are reviewed and validated monthly through an internal valuation committee price variance review, comparisons to internal pricing models, back testing to recent trades, or monitoring of trading volumes. At December 31, 2011, \$194.9 and \$14.7 billion of a total of \$19.2 billion in fixed maturities were valued using unadjusted broker quotes and unadjusted prices obtained from pricing services, respectively, and verified through the review process. The remaining balance in fixed maturities consisted primarily of privately placed bonds valued using a matrix-based pricing model.

All prices and broker quotes obtained go through the review process described above including valuations for which only one broker quote is obtained. After review, for those instruments where the price is determined to be appropriate, the unadjusted price provided is used for financial statement valuation. If it is determined that the price is questionable, another price may be requested from a different vendor. For certain CMO assets, the average of several broker quotes may be used when multiple quotes are available. The internal valuation committee then reviews all prices for the instrument

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again, along with information from the review, to determine which price best represents “exit price” for the instrument.

Fair values of privately placed bonds are primarily 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 its 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. In addition, certain privately placed bonds are valued using broker quotes and internal pricing models and are classified as Level 3 assets. The Company’s internal pricing models utilize the Company’s best estimate of expected future cash flows discounted at a rate of return that a market participant would require. The significant inputs to the models include, but are not limited to, current market inputs, such as credit loss assumptions, assumed prepayment speeds and business performance.

Equity securities, available-for-sale: Fair values of publicly traded equity securities are based upon quoted market price and are classified as Level 1 assets. Other equity securities, typically private equities or equity securities not traded on an exchange, are valued by other sources such as analytics or brokers and are classified as Level 3 assets.

Cash and cash equivalents, Short-term investments, and Short-term investments under securities loan agreement: The fair values for cash equivalents and certain short-term investments are determined based on quoted market prices. These assets are classified as Level 1. Other short-term investments are valued and classified in the fair value hierarchy consistent with the policies described herein, depending on investment type.

Derivatives: The carrying amounts for these financial instruments, which can be assets or liabilities, 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, such as yield curves, exchange rates, Standard & Poor’s 500 Index prices, and London Interbank Offered Rates, 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 transact only with investment grade counterparties with a credit rating of A- or better. The Company’s own credit risk is also considered and incorporated in the Company’s valuation process. Valuations for the Company’s futures and interest rate forward contracts are based on unadjusted quoted prices from an active exchange and, therefore, are classified as Level 1. The Company also has certain credit default swaps that are priced using models that primarily use market observable inputs, but contain inputs that are not observable to market

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participants, which have been classified as Level 3. All other derivative instruments are valued based on market observable inputs and are classified as Level 2.

Product guarantees: The Company records product guarantees for annuity contracts containing guaranteed credited rates in accordance with ASC 815. 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 ASC 820. The income associated with the contracts is projected using 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. These derivatives are classified as Level 3 liabilities. Explicit risk margins in the actuarial assumptions underlying valuations are included, as well as an explicit recognition of all nonperformance risks as required by U.S. GAAP. 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.

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. The underlying investments include mutual funds, short-term investments and cash, the valuations of which 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 classified in the fair value hierarchy consistent with the policies described above for Fixed maturities.

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 ASC 820), including but not limited to liquidity spreads for investments within markets deemed not currently active. 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 addition, the Company has determined, for certain financial instruments, an active market is such a significant input to determine fair value that the presence of an inactive market may lead to classification in Level 3. 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.

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The following table summarizes the changes in fair value of the Company's Level 3 assets and liabilities for the year ended December 31, 2011.

| | December 31, 2011 | | | | | | | | | | | |
|--|-------------------|------------------------|--------|-----------------------------|-----------|---------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | Fair Value | | | Total realized/unrealized | | | Settlements | | | Transfers | | |
| | as of | | | gains (losses) included in: | | | Sales | | | in to | | |
| | January 1 | Net income | OCI | Purchases | Issuances | Sales | Level 3 ⁽²⁾ | Level 3 ⁽²⁾ | Level 3 ⁽²⁾ | Level 3 ⁽²⁾ | Level 3 ⁽²⁾ | Level 3 ⁽²⁾ |
| Fixed maturities, including securities pledged: | | | | | | | | | | | | |
| U.S. corporate, state and municipalities | \$ 11.2 | \$ (0.3) | \$ 6.7 | \$ 19.0 | \$ - | \$ - | \$ (43.3) | \$ 135.8 | \$ - | \$ - | \$ 129.1 | \$ (0.3) |
| Foreign | 11.4 | 0.5 | - | 30.9 | - | (19.7) | (1.5) | 29.9 | (0.4) | (0.4) | 51.1 | (0.8) |
| Residential mortgage-backed securities | 252.5 | (3.0) | 1.7 | 57.1 | - | (38.5) | (8.1) | 5.3 | (226.0) | (226.0) | 41.0 | (0.9) |
| Other asset-backed securities | 247.7 | (26.8) | 15.8 | - | - | (119.7) | (8.7) | - | (80.6) | (80.6) | 27.7 | (3.5) |
| Total fixed maturities, including securities pledged | 522.8 | (29.6) | 24.2 | 107.0 | - | (177.9) | (61.6) | 171.0 | (307.0) | (307.0) | 248.9 | (5.5) |
| Equity securities, available for sale | 27.7 | 0.1 | 0.1 | 4.3 | - | (4.2) | - | - | (9.0) | (9.0) | 19.0 | - |
| Derivatives, net | (13.6) | 0.8 | - | 0.2 | - | - | - | - | - | - | (12.6) | 0.6 |
| Product guarantees | (3.0) | (212.5) ⁽⁶⁾ | - | (5.5) | - | - | - | - | - | - | (221.0) | - |
| Fixed Indexed Annuities | (5.6) | (3.6) ⁽⁶⁾ | - | (7.1) | - | - | - | - | - | - | (16.3) | - |
| Separate Accounts | 22.3 | - | - | 9.8 | - | (3.4) | - | - | (12.6) | (12.6) | 16.1 | 0.1 |
| ⁽⁶⁾ This amount is included in Interest credited and other benefits to contract owners 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. | | | | | | | | | | | | |
| ⁽⁶⁾ The Company's policy is to recognize transfers in and transfers out as of the beginning of the reporting period. | | | | | | | | | | | | |
| ⁽⁶⁾ For financial instruments still held as of December 31. Amounts are included in Net investment income and Net realized capital losses on the Consolidated Statements of Operations. | | | | | | | | | | | | |

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The following table summarizes the changes in fair value of the Company's Level 3 assets and liabilities for the year ended December 31, 2010.

| | December 31, 2010 | | | | | | | | | | Change in |
|--|----------------------------------|--|------|---|--|---|------------------------------------|---|--|--|-----------|
| | Fair Value as of January 1 | Total realized/unrealized gains (losses) included in: | | Purchases, issuances, and settlements | Transfers in to Level 3 ⁽²⁾ | Transfers out of Level 3 ⁽²⁾ | Fair Value as of December 31 | unrealized gains (losses) included in earnings ⁽³⁾ | | | |
| | | Net income | OCI | | | | | | | | |
| Fixed maturities, including securities pledged: | | | | | | | | | | | |
| U.S. corporate, state and municipalities | \$ - | \$ - | \$ - | \$ - | \$ 11.2 | \$ - | \$ 11.2 | \$ - | | | |
| Foreign | - | 0.1 | 0.6 | 2.7 | 8.0 | - | 11.4 | - | | | |
| Residential mortgage-backed securities | 1,237.9 | (23.6) | 4.3 | 62.5 | 0.6 | (1,029.2) | 252.5 | (26.3) | | | |
| Other asset-backed securities | 188.8 | (59.4) | 93.3 | (20.2) | 45.2 | - | 247.7 | (59.3) | | | |
| Total fixed maturities, including securities pledged | 1,426.7 | (82.9) | 98.2 | 45.0 | 65.0 | (1,029.2) | 522.8 | (85.6) | | | |
| Equity securities, available for sale | 39.8 | (0.4) | 0.6 | 13.8 | - | (26.1) | 27.7 | - | | | |
| Derivatives, net | (48.3) | 0.3 | - | 34.4 | - | - | (13.6) | 1.8 | | | |
| Product guarantees | (6.0) | 9.0 ⁽¹⁾ | - | (6.0) | - | - | (3.0) | - | | | |
| Fixed Indexed Annuities | - | 0.3 ⁽¹⁾ | - | (5.9) | - | - | (5.6) | - | | | |
| Separate Accounts | 56.3 | 5.8 | - | (57.7) | 17.9 | - | 22.3 | 1.0 | | | |
| ⁽¹⁾ This amount is included in Interest credited and other benefits to contract owners 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. | | | | | | | | | | | |
| ⁽²⁾ The Company's policy is to recognize transfers in and transfers out as of the beginning of the reporting period. | | | | | | | | | | | |
| ⁽³⁾ For financial instruments still held as of December 31. Amounts are included in Net investment income and Net realized capital losses on the Consolidated Statements of Operations. | | | | | | | | | | | |

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The transfers out of Level 3 during the year ended December 31, 2011 in Fixed maturities, including securities pledged, are primarily due to the Company's determination that the market for subprime RMBS securities has become active. While the valuation methodology has not changed, the Company has concluded that the frequency of transactions in the market for subprime RMBS securities represent regularly occurring market transactions and therefore are now classified as Level 2. The transfers out of Level 3 during the year ended December 31, 2010 in Fixed maturities, including securities pledged, are primarily due to an increased utilization of vendor valuations for certain CMO assets.

The remaining transfers in and out of Level 3 for fixed maturities, equity securities and separate accounts during the years ended December 31, 2011 and 2010 are due to the variation in inputs relied upon for valuation each quarter. Securities that are primarily valued using independent broker quotes when prices are not available from one of the commercial pricing services are reflected as transfers into Level 3, as these securities are generally less liquid with very limited trading activity or where less transparency exists corroborating the inputs to the valuation methodologies. When securities are valued using more widely available information, the securities are transferred out of Level 3 and into Level 1 or 2, as appropriate.

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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, 2011 and 2010.

| | | 2011 | | 2010 | |
|---|----|----------|-------------|-------------|-------------|
| | | Carrying | Fair | Carrying | Fair |
| | | Value | Value | Value | Value |
| Assets: | | | | | |
| Fixed maturities, available-for-sale, including | | | | | |
| securities pledged | \$ | 18,669.1 | \$ 18,669.1 | \$ 16,974.8 | \$ 16,974.8 |
| Fixed maturities, at fair value using the fair | | | | | |
| value option | | 511.9 | 511.9 | 453.4 | 453.4 |
| Equity securities, available-for-sale | | 144.9 | 144.9 | 200.6 | 200.6 |
| Mortgage loans on real estate | | 2,373.5 | 2,423.1 | 1,842.8 | 1,894.8 |
| Loan-Dutch State obligation | | 417.0 | 421.9 | 539.4 | 518.7 |
| Policy loans | | 245.9 | 245.9 | 253.0 | 253.0 |
| Limited partnerships/corporations | | 510.6 | 510.6 | 463.5 | 493.8 |
| Cash, cash equivalents, short-term investments, | | | | | |
| and short-term investments under securities | | | | | |
| loan agreement | | 958.7 | 958.7 | 1,128.8 | 1,128.8 |
| Derivatives | | 505.8 | 505.8 | 234.2 | 234.2 |
| Notes receivable from affiliates | | 175.0 | 165.2 | 175.0 | 177.0 |
| Assets held in separate accounts | | 45,295.2 | 45,295.2 | 46,489.1 | 46,489.1 |
| Liabilities: | | | | | |
| Investment contract liabilities: | | | | | |
| With a fixed maturity | | 1,222.4 | 1,369.1 | 1,313.2 | 1,311.5 |
| Without a fixed maturity | | 18,410.3 | 21,739.8 | 16,902.6 | 16,971.6 |
| Product guarantees | | 221.0 | 221.0 | 3.0 | 3.0 |
| Fixed Indexed Annuities | | 16.3 | 16.3 | 5.6 | 5.6 |
| Derivatives | | 360.0 | 360.0 | 280.3 | 280.3 |

The following disclosures are made in accordance with the requirements of ASC Topic 825 which 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.

ASC Topic 825 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.

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The following valuation methods and assumptions were used by the Company in estimating the fair value of the following financial instruments which are not carried at fair value on the Consolidated Balance Sheets, and therefore not categorized in the fair value hierarchy:

Limited partnerships/corporations: The fair value for these investments, primarily private equity fund of funds and hedge funds, is estimated based on the Net Asset Value (“NAV”) as provided by the investee.

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.

Loan - Dutch State obligation: The fair value of the Dutch State loan obligation is estimated utilizing discounted cash flows from the Dutch Strip Yield Curve.

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 claims reserves):

With a fixed maturity: Fair value is estimated by discounting cash flows, including associated expenses for maintaining the contracts, at rates, which are market risk-free rates augmented by credit spreads on current Company credit default swaps. The augmentation is present to account for non-performance risk. A margin for non-financial risks associated with the contracts is also included.

Without a fixed maturity: Fair value is estimated as the mean present value of stochastically modeled cash flows associated with the contract liabilities relevant to both the contract holder and to the Company. Here, the stochastic valuation scenario set is consistent with current market parameters, and discount is taken using stochastically evolving short risk-free rates in the scenarios augmented by credit spreads on current Company debt. The augmentation in the discount is present to account for non-performance risk. Margins for non-financial risks associated with the contract liabilities are also included.

Notes receivable from affiliates: Estimated fair value of the Company’s notes receivable from affiliates is based upon discounted future cash flows using a discount rate approximating the current market rate.

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

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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.

Mortgage Loans on Real Estate

The Company's mortgage loans on real estate are summarized as follows at December 31, 2011 and 2010.

| | 2011 | 2010 |
|-------------------------------------|------------|------------|
| Total commercial mortgage loans | \$ 2,374.8 | \$ 1,844.1 |
| Collective valuation allowance | (1.3) | (1.3) |
| Total net commercial mortgage loans | \$ 2,373.5 | \$ 1,842.8 |

As of December 31, 2011, all commercial mortgage loans are held-for-investment. The Company diversifies its commercial mortgage loan portfolio by geographic region and property type to reduce concentration risk. The Company manages risk when originating commercial mortgage loans by generally lending only up to 75% of the estimated fair value of the underlying real estate. Subsequently, the Company continuously evaluates all mortgage loans based on relevant current information including an appraisal of loan-specific credit quality, property characteristics and market trends. Loan performance is monitored on a loan-specific basis through the review of submitted appraisals, operating statements, rent revenues and annual inspection reports, among other items. This review ensures properties are performing at a consistent and acceptable level to secure the debt.

The Company has established a collective valuation allowance for probable incurred, but not specifically identified, losses related to factors inherent in the lending process. The collective valuation allowance is determined based on historical loss rates as adjusted by current economic information for all loans that are not determined to have an individually-assessed loss.

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The changes in the collective valuation allowance were as follows for the years ended December 31, 2011 and 2010.

| | 2011 | 2010 |
|--|--------|--------|
| Collective valuation allowance for losses, beginning of year | \$ 1.3 | \$ 2.0 |
| Addition to / (release of) allowance for losses | - | (0.7) |
| Collective valuation allowance for losses, end of year | \$ 1.3 | \$ 1.3 |

The commercial mortgage loan portfolio is the recorded investment, prior to collective valuation allowances, by the indicated loan-to-value ratio and debt service coverage ratio, as reflected in the following tables at December 31, 2011 and 2010.

| | 2011 ⁽¹⁾ | 2010 ⁽¹⁾ |
|---|---------------------|---------------------|
| Loan-to-Value Ratio: | | |
| 0% - 50% | \$ 552.4 | \$ 536.4 |
| 50% - 60% | 771.5 | 564.6 |
| 60% - 70% | 908.2 | 610.1 |
| 70% - 80% | 125.2 | 113.9 |
| 80% - 90% | 17.5 | 19.1 |
| Total Commercial Mortgage Loans | \$ 2,374.8 | \$ 1,844.1 |
| ⁽¹⁾ Balances do not include allowance for mortgage loan credit losses. | | |

| | 2011 ⁽¹⁾ | 2010 ⁽¹⁾ |
|---|---------------------|---------------------|
| Debt Service Coverage Ratio: | | |
| Greater than 1.5x | \$ 1,600.1 | \$ 1,270.0 |
| 1.25x - 1.5x | 408.1 | 182.1 |
| 1.0x - 1.25x | 286.7 | 191.8 |
| Less than 1.0x | 79.9 | 137.4 |
| Mortgages secured by loans on land or construction loans | - | 62.8 |
| Total Commercial Mortgage Loans | \$ 2,374.8 | \$ 1,844.1 |
| ⁽¹⁾ Balances do not include allowance for mortgage loan credit losses. | | |

The Company believes it has a high quality mortgage loan portfolio with substantially all of commercial mortgages classified as performing. The Company defines delinquent commercial mortgage loans consistent with industry practice as 60 days past due. There were no impairments taken on the mortgage loan portfolio for the year ended December 31, 2011. As of December 31, 2010 and 2009, there was a \$1.0 and \$10.3 impairment taken on the mortgage loan portfolio, respectively. As of December 31, 2011, all mortgage loans in the Company's portfolio were current with respect to principal and interest. The Company's policy is to recognize interest income until a loan becomes 90 days delinquent or foreclosure proceedings are commenced, at which point interest accrual is discontinued. Interest accrual is not resumed until past due payments are brought current.

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Due to challenges that the economy presents to the commercial mortgage market, effective with the third quarter of 2009, the Company recorded an allowance for probable incurred, but not specifically identified, losses related to factors inherent in the lending process. At December 31, 2011 and 2010, the Company had a \$1.3 allowance for mortgage loan credit losses.

All commercial mortgages are evaluated for the purpose of quantifying the level of risk. Those loans with higher risk are placed on a watch list and are closely monitored for collateral deficiency or other credit events that may lead to a potential loss of principal or interest. If the value of any mortgage loan is determined to be impaired (i.e., when it is probable that the Company will be unable to collect on all amounts due according to the contractual terms of the loan agreement), the carrying value of the mortgage loan is reduced to either the present value of expected cash flows from the loan, discounted at the loan's effective interest rate, or fair value of the collateral.

The carrying values and unpaid principal balances (prior to any charge-off) of impaired commercial mortgage loans were as follows for the years ended December 31, 2011 and 2010.

| | 2011 | 2010 |
|---|--------|---------|
| Impaired loans without valuation allowances | \$ 5.8 | \$ 9.5 |
| Unpaid principal balance of impaired loans | \$ 7.3 | \$ 12.0 |

The following is information regarding impaired loans, restructured loans, loans 90 days or more past due and loans in the process of foreclosure for the years ended December 31, 2011, 2010, and 2009.

| | 2011 | 2010 | 2009 |
|--|--------|---------|---------|
| Impaired loans, average investment during the period | \$ 7.7 | \$ 15.3 | \$ 10.5 |
| Interest income recognized on impaired loans, on an accrual basis | 0.6 | 0.9 | 0.6 |
| Interest income recognized on impaired loans, on a cash basis | 0.6 | 1.0 | 0.4 |
| Loans in foreclosure, at amortized cost | - | - | 5.8 |

For the years ended December 31, 2011 and 2010, there were no Restructured loans, Interest income recognized on restructured loans, Loans 90 days or more past due, interest no longer accruing, at amortized cost, Loans in foreclosure, at amortized cost, and Unpaid principal balance of loans 90 days or more past due, interest no longer accruing.

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Troubled Debt Restructuring

The Company has high quality, well performing portfolios of commercial mortgage loans and private placements. Under certain circumstances, modifications to these contracts are granted. Each modification is evaluated as to whether a troubled debt restructuring has occurred. A modification is a troubled debt restructure when the borrower is in financial difficulty and the creditor makes concessions. Generally, the types of concessions may include: reduction of the face amount or maturity amount of the debt as originally stated, reduction of the contractual interest rate, extension of the maturity date at an interest rate lower than current market interest rates and/or reduction of accrued interest. The Company considers the amount, timing and extent of the concession granted in determining any impairment or changes in the specific valuation allowance recorded in connection with the troubled debt restructuring. A valuation allowance may have been recorded prior to the quarter when the loan is modified in a troubled debt restructuring. Accordingly, the carrying value (net of the specific valuation allowance) before and after modification through a troubled debt restructuring may not change significantly, or may increase if the expected recovery is higher than the pre-modification recovery assessment. For the year ended December 31, 2011, the Company had one private placement troubled debt restructuring with a pre-modification and post-modification carrying value of \$13.0 and \$12.9, respectively.

During the twelve months ended December 31, 2011, the Company had no loans modified in a troubled debt restructuring with a subsequent payment default.

Derivative Financial Instruments

See the Business, Basis of Presentation and Significant Accounting Policies note to these Consolidated Financial Statements for disclosure regarding the Company's purpose for entering into derivatives and the policies on valuation and classification of derivatives. The Company enters into the following derivatives:

Interest rate caps: Interest rate caps are used to manage the interest rate risk in the Company's fixed maturity portfolio. Interest rate caps are purchased contracts that are used by the Company to hedge annuity products against rising interest rates.

Interest rate swaps: Interest rate swaps are used to manage the interest rate risk in the Company's fixed maturity 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.

Foreign exchange swaps: 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.

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Credit default swaps: 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 on 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 par minus recovery value of the swap contract.

Forwards: Certain forwards are acquired to hedge certain CMO assets held by the Company against movements in interest rates, particularly mortgage rates. On the settlement date, the Company will either receive a payment (interest rate drops on purchased forwards or interest rate rises on sold forwards) or will be required to make a payment (interest rate rises on purchased forwards or interest rate drops on sold forwards).

Futures: Futures contracts are used to hedge against a decrease in certain equity indices. Such decreases 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. The futures income would serve to offset these effects. Futures contracts are also used to hedge against an increase in certain equity indices. Such increases may result in increased payments to contract holders of fixed indexed annuity contracts, and the futures income would serve to offset this increased expense.

Swaptions: Swaptions are used to manage interest rate risk in the Company's collateralized mortgage obligations portfolio. Swaptions are contracts that give the Company the option to enter into an interest rate swap at a specific future date.

Managed Custody Guarantees: The Company issued certain credited rate guarantees on externally managed variable bond funds that represent stand alone derivatives. The market value is partially determined by, among other things, levels of or changes in interest rates, prepayment rates, and credit ratings/spreads.

Embedded derivatives: The Company also 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-term or long-term), exchange rates, prepayment rates, equity rates, or credit ratings/spreads.

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The notional amounts and fair values of derivatives were as follows as of December 31, 2011 and 2010.

| | | | 2011 | | | 2010 | | |
|--|----------------------------|--|----------|------------|------------|----------|------------|------------|
| | | | Notional | Asset | Liability | Notional | Asset | Liability |
| | | | Amount | Fair Value | Fair Value | Amount | Fair Value | Fair Value |
| Derivatives: Qualifying for | | | | | | | | |
| hedge accounting ⁽¹⁾ | | | | | | | | |
| Cash flow hedges: | | | | | | | | |
| | Interest rate contracts | | 1,000.0 | \$ 173.9 | \$ - | 7.2 | \$ 0.6 | \$ - |
| | Foreign exchange contracts | | - | - | - | 7.2 | - | 0.1 |
| Derivatives: Non-Qualifying for | | | | | | | | |
| hedge accounting ⁽¹⁾ | | | | | | | | |
| | Interest rate contracts | | 17,697.7 | 328.6 | 306.4 | 16,737.7 | 226.2 | 227.1 |
| | Foreign exchange contracts | | 213.4 | 0.7 | 32.4 | 233.0 | 0.7 | 38.4 |
| | Equity contracts | | - | - | - | 3.7 | - | - |
| | Credit contracts | | 548.4 | 2.6 | 21.2 | 641.4 | 6.7 | 14.7 |
| Managed custody | | | | | | | | |
| | guarantees ⁽²⁾ | | N/A | - | 221.0 | N/A | - | 3.0 |
| Embedded derivatives: | | | | | | | | |
| | Within retail annuity | | | | | | | |
| | products ⁽²⁾ | | N/A | - | 16.3 | N/A | - | 5.6 |
| Total | | | | \$ 505.8 | \$ 597.3 | | \$ 234.2 | \$ 288.9 |
| N/A - Not applicable. | | | | | | | | |
| ⁽¹⁾ The fair values are reported in Derivatives or Other liabilities on the Consolidated Balance Sheets. | | | | | | | | |
| ⁽²⁾ The fair values are reported in Future policy benefits and claim reserves on the Consolidated Balance Sheets. | | | | | | | | |

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Net realized gains (losses) on derivatives were as follows for the years ended December 31, 2011, 2010, and 2009.

| | 2011 | 2010 | 2009 |
|---|------------|-----------|-----------|
| Derivatives:Qualifying for hedge accounting ⁽¹⁾ | | | |
| Cash flow hedges: | | | |
| Interest rate contracts | \$ - | \$ - | \$ - |
| Fair Value hedges: | | | |
| Interest rate contracts | - | - | - |
| Derivatives: Non-Qualifying for hedge accounting ⁽¹⁾ | | | |
| Interest rate contracts | (53.4) | (53.4) | (178.8) |
| Foreign exchange contracts | (0.7) | 7.4 | (23.3) |
| Equity contracts | (0.5) | 0.5 | (49.0) |
| Credit contracts | (4.8) | 8.9 | (16.5) |
| Managed custody guarantees ⁽²⁾ | 1.1 | 4.1 | 34.0 |
| Embedded derivatives: | | | |
| Within retail annuity products ⁽²⁾ | (217.2) | 5.2 | 185.4 |
| Total | \$ (275.5) | \$ (27.3) | \$ (48.2) |
| ⁽¹⁾ Changes in value for effective fair value hedges are recorded in Net realized capital gains (losses). Changes in fair value upon disposal for effective cash flow hedges are recorded in Net realized capital gains (losses) on the Consolidated Statements of Operations. | | | |
| ⁽²⁾ Changes in value are included in Interest credited and other benefits to contract owners on the Consolidated Statements of Operations. | | | |

Credit Default Swaps

The Company has entered into various credit default swaps. When credit default swaps are sold, the Company assumes credit exposure to certain assets that it does not own. Credit default swaps may also be purchased to reduce credit exposure in the Company's portfolio. 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 has International Swaps and Derivatives Association, Inc. ("ISDA") agreements with each counterparty with which it conducts business and tracks the collateral positions for each counterparty. To the extent cash collateral is received, it is included in Payables under securities loan agreement, including collateral held, on the Consolidated Balance Sheets and is reinvested in short-term investments. Collateral held is used in accordance with the Credit Support Annex ("CSA") to satisfy any obligations. Investment grade bonds owned by the Company are the source of noncash collateral posted, which is reported in Securities pledged on the Consolidated Balance Sheets. 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 par minus recovery value of the swap contract. At December 31, 2011, the fair value of credit default swaps of \$2.6 and \$21.2 was included in Derivatives and Other liabilities,

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respectively, on the Consolidated Balance Sheets. At December 31, 2010, the fair value of credit default swaps of \$6.7 and \$14.7 was included in Derivatives and Other liabilities, respectively, on the Consolidated Balance Sheets. As of December 31, 2011 and 2010, the maximum potential future exposure to the Company on the sale of credit protection under credit default swaps was \$518.3 and \$625.6, respectively.

4. Deferred Policy Acquisition Costs and Value of Business Acquired

Beginning in the first quarter of 2011, the Company implemented a reversion to the mean technique of estimating its short-term equity market return assumptions. This change in estimate was applied prospectively in first quarter 2011. The reversion to the mean technique is a common industry practice in which DAC and Voba unlocking for short-term equity returns only occurs if equity market performance falls outside established parameters.

Activity within DAC was as follows for the years ended December 31, 2011, 2010, and 2009.

| | 2011 | 2010 | 2009 |
|--|-----------------|-----------------|-----------------|
| Balance at January 1 | \$ 896.9 | \$ 848.2 | \$ 1,021.3 |
| Deferrals of commissions and expenses | 152.3 | 142.2 | 108.2 |
| Amortization: | | | |
| Amortization | (179.0) | (77.0) | (39.3) |
| Interest accrued at 4% to 7% | 69.5 | 64.6 | 58.0 |
| Net amortization included in | | | |
| Consolidated Statements of Operations | (109.5) | (12.4) | 18.7 |
| Change in unrealized capital gains/losses on | | | |
| available-for-sale securities | (177.5) | (81.1) | (300.0) |
| Balance at December 31 | <u>\$ 762.2</u> | <u>\$ 896.9</u> | <u>\$ 848.2</u> |

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Activity within VOBA was as follows for the years ended December 31, 2011, 2010, and 2009.

| | 2011 | 2010 | 2009 |
|--|----------|------------|------------|
| Balance at January 1 | \$ 842.5 | \$ 1,045.1 | \$ 1,676.7 |
| Deferrals of commissions and expenses | 11.4 | 23.6 | 40.4 |
| Amortization: | | | |
| Amortization | (123.9) | (8.7) | (170.5) |
| Interest accrued at 4% to 7% | 78.0 | 74.3 | 72.2 |
| Net amortization included in | | | |
| Consolidated Statements of Operations | (45.9) | 65.6 | (98.3) |
| Change in unrealized capital gains/losses on available-for-sale securities | (162.5) | (291.8) | (573.7) |
| Balance at December 31 | \$ 645.5 | \$ 842.5 | \$ 1,045.1 |

The estimated amount of VOBA amortization expense, net of interest, is \$42.4, \$56.4, \$55.5, \$56.0, and \$55.1, for the years 2012, 2013, 2014, 2015, and 2016, respectively. Actual amortization incurred during these years may vary as assumptions are modified to incorporate actual results.

5. Capital Contributions, Dividends and Statutory Information

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 twelve months, exceeds the greater of (1) ten percent (10.0%) of ILIAC's earned statutory surplus at the prior year end or (2) ILIAC's prior year statutory net gain from operations. Connecticut law also prohibits a Connecticut insurer from declaring or paying a dividend except out of its earned surplus unless prior insurance regulatory approval is obtained.

During the year ended December 31, 2011, ILIAC did not pay any dividends on its common stock to its Parent. During the year ended December 31, 2010, ILIAC paid a \$203.0 dividend on its common stock to its Parent. During the year ended December 31, 2009, ILIAC did not pay any dividends on its common stock to its Parent. On December 22, 2011 and October 30, 2010, IFA paid a \$65.0 and \$60.0, respectively, dividend to ILIAC, its parent, which was eliminated in consolidation.

During the year ended December 31, 2011, ILIAC received capital contributions of \$201.0 in the aggregate from its Parent. During the year ended December 31, 2010, ILIAC did not receive any 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 EUR 10 billion. On February 24, 2009, \$2.2 billion was contributed to direct and indirect insurance company subsidiaries of ING AIH, of which \$365.0 was contributed to the

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Company. The contribution was comprised of the proceeds from the investment by the Dutch State 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 income (loss) was \$194.4, \$66.0, and \$271.6, for the years ended December 31, 2011, 2010, and 2009, respectively. Statutory capital and surplus was \$1.9 billion and \$1.7 billion as of December 31, 2011 and 2010, respectively. As specifically prescribed by statutory accounting practices, statutory surplus as of December 31, 2010 included the impact of the \$150.0 capital contribution received by ILIAC from its Parent on February 18, 2011.

Effective for December 31, 2009, the Company adopted Actuarial Guideline 43, Variable Annuity Commissioners Annuity Reserve Valuation Method (“AG43”). The NAIC replaced the existing formula-based reserve standard methodology (AG34, Death Benefits and AG39, Living Benefits) with a stochastic principles-based methodology (AG43) for determining reserves for all individual variable annuity contracts with and without guaranteed benefits and all group annuity contracts with guarantees issued on or after January 1, 1981. Variable payout annuity contracts are also subject to AG43. There is no cumulative effect of adopting AG43. Reserves calculated using AG43 were higher than reserves calculated under AG34 and AG39 by \$69.1 at December 31, 2010. Where the application of AG43 produces higher reserves than the Company had otherwise established under AG34 and AG39, the Company may request a grade-in period, not to exceed three years, from the domiciliary commissioner. The grading shall be done only on reserves on the contracts in-force as of the current year. The reserves under the old basis and the new basis shall be compared each year with two-thirds of the difference subtracted from the reserve under the new basis at December 31, 2009 and one-third of the difference subtracted from the new basis at December 31, 2010 and the remaining third recorded in 2011. The Company did elect the grade-in provision. The reserves at December 31, 2011 reflect the full impact of adoption of AG43.

Effective December 31, 2009, the Company adopted SSAP No. 10R, Income Taxes, for its statutory basis of accounting. This statement requires the Company to calculate admitted deferred tax assets based upon what is expected to reverse within one year with a cap on the admitted portion of the deferred tax asset of 10% of capital and surplus for its most recently filed statement. If the Company’s risk-based capital (“RBC”) levels, after reflecting the above limitation, exceeds 250% of the authorized control level, the statement increases the limitation on admitted deferred tax assets from what is expected to reverse in one year to what is expected to reverse over the next three years and increases the cap on the admitted portion of the deferred tax asset from 10% of capital and surplus for its most recently filed statement to 15%. Other revisions in the statement include requiring the Company to reduce the gross deferred tax asset by a statutory

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valuation allowance adjustment if, based on the weight of available evidence, it is more likely than not (a likelihood of more than 50%) that some portion of or all of the gross deferred tax assets will not be realized. To temper this positive RBC impact, and as a temporary measure at December 31, 2009 only, a 5% pre-tax RBC charge was required to be applied to the additional admitted deferred tax assets generated by SSAP 10R. The adoption for 2009 had a December 31, 2009 sunset; however, during 2010, the 2009 adoption, including the 5% pre-tax RBC charge, was extended through December 31, 2011. The effects on the Company's statutory financial statements of adopting this change in accounting principle were increases to total assets and capital and surplus of \$86.7 and \$68.9 as of December 31, 2011 and 2010, respectively. This adoption had no impact on total liabilities or net income.

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, 2011, the account value for the separate account contracts with guaranteed minimum benefits was \$7.9 billion. The additional liability recognized related to minimum guarantees was \$5.4. As of December 31, 2010, the account value for the separate account contracts with guaranteed minimum benefits was \$6.1 billion. The additional liability recognized related to minimum guarantees was \$4.4.

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, 2011 and 2010, was \$7.9 billion and \$6.1 billion, respectively.

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7. Income Taxes

Income tax expense (benefit) consisted of the following for the years ended December 31, 2011, 2010, and 2009.

| | 2011 | 2010 | 2009 |
|--------------------------------------|-------------|-------------|-------------|
| Current tax expense (benefit): | | | |
| Federal | \$ 60.3 | \$ 73.2 | \$ 27.5 |
| State | - | - | (0.9) |
| Total current tax expense | 60.3 | 73.2 | 26.6 |
| Deferred tax expense (benefit): | | | |
| Federal | (56.5) | 67.6 | 23.0 |
| Total deferred tax expense (benefit) | (56.5) | 67.6 | 23.0 |
| Total income tax expense | \$ 3.8 | \$ 140.8 | \$ 49.6 |

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, 2011, 2010, and 2009.

| | 2011 | 2010 | 2009 |
|--|-------------|-------------|-------------|
| Income before income taxes | \$ 340.4 | \$ 577.7 | \$ 403.5 |
| Tax rate | 35.0% | 35.0% | 35.0% |
| Income tax expense at federal statutory rate | 119.1 | 202.2 | 141.2 |
| Tax effect of: | | | |
| Dividend received deduction | (37.0) | (23.3) | (2.6) |
| Tax valuation allowance | (87.0) | (13.7) | (92.2) |
| State audit settlement | - | - | (1.2) |
| IRS audit settlement | 3.7 | (26.8) | (0.1) |
| State tax expense | - | 0.6 | 0.1 |
| Other | 5.0 | 1.8 | 4.4 |
| Income tax expense | \$ 3.8 | \$ 140.8 | \$ 49.6 |

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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, 2011 and 2010, are presented below.

| | 2011 | 2010 |
|---|------------|------------|
| Deferred tax assets: | | |
| Insurance reserves | \$ 269.6 | \$ 187.1 |
| Investments | 89.2 | 112.5 |
| Postemployment benefits | 97.1 | 83.7 |
| Compensation | 22.9 | 45.9 |
| Other | 22.5 | 22.1 |
| Total gross assets before valuation allowance | 501.3 | 451.3 |
| Less: valuation allowance | (11.1) | (120.1) |
| Assets, net of valuation allowance | 490.2 | 331.2 |
| Deferred tax liabilities: | | |
| Net unrealized gain | (288.2) | (71.9) |
| Value of business acquired | (398.4) | (410.5) |
| Deferred policy acquisition costs | (326.5) | (315.7) |
| Total gross liabilities | (1,013.1) | (798.1) |
| Net deferred income tax liability | \$ (522.9) | \$ (466.9) |

Valuation allowances are provided when it is considered more likely than not that deferred tax assets will not be realized. At December 31, 2011, the Company did not have a tax valuation allowance related to realized and unrealized capital losses. At December 31, 2010, the Company had a tax valuation allowance of \$109.0 related to realized and unrealized capital losses. As of December 31, 2011 and 2010, the Company had full tax valuation allowances of \$11.1 related to foreign tax credits, the benefit of which is uncertain. The change in net unrealized capital gains (losses) includes an increase (decrease) in the tax valuation allowance of \$(22.0), \$(68.7), and \$(38.3) for the years ended December 31, 2011, 2010, and 2009, respectively.

Tax Sharing Agreement

The Company had a payable to ING AIH of \$1.3 and \$49.3 for federal income taxes as of December 31, 2011 and 2010, respectively, for federal income taxes under the intercompany tax sharing agreement.

The results of the Company's operations are included in the consolidated tax return of ING AIH. Generally, the Company's consolidated financial statements recognize the current and deferred income tax consequences that result from the Company's activities during the current and preceding periods pursuant to the provisions of Income Taxes (ASC 740) as if the Company were a separate taxpayer rather than a member of ING AIH's consolidated income tax return group with the exception of any net operating loss carryforwards and capital loss carryforwards, which are recorded pursuant to the tax

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sharing agreement. The Company's tax sharing agreement with ING AIH states that for each taxable year during which the Company is included in a consolidated federal income tax return with ING AIH, ING AIH will pay to the Company an amount equal to the tax benefit of the Company's net operating loss carryforwards and capital loss carryforwards generated in such year, without regard to whether such net operating loss carryforwards and capital loss carryforwards are actually utilized in the reduction of the consolidated federal income tax liability for any consolidated taxable year.

Unrecognized Tax Benefits

Reconciliations of the change in the unrecognized income tax benefits for the years ended December 31, 2011 and 2010 are as follows:

| | 2011 | 2010 |
|---|-------------|-------------|
| Balance at beginning of period | \$ 23.0 | \$ 12.8 |
| Additions for tax positions related to prior years | 4.5 | 36.2 |
| Reductions for tax positions related to prior years | (4.5) | (25.8) |
| Reductions for settlements with taxing authorities | (23.0) | (0.2) |
| Balance at end of period | \$ - | \$ 23.0 |

The Company had no unrecognized tax benefits as of December 31, 2011 and 2010, which 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 no accrued interest as of December 31, 2011 and 2010. The decrease during the tax period ended December 31, 2011 is primarily related to the settlement of the 2009 federal audit.

Tax Regulatory Matters

In March 2011, the Internal Revenue Service ("IRS") completed its examination of the Company's returns through tax year 2009. In the provision for the year ended December 31, 2011, the Company reflected an increase in the tax expense based on the results of the IRS examination and monitoring the activities of the IRS with respect to certain issues with other taxpayers and the merits of the Company's position.

The Company is currently under audit by the IRS for tax years 2010 through 2012, and it is expected that the examination of tax year 2010 will be finalized within the next twelve months. The Company and the IRS have agreed to participate in the Compliance Assurance Program ("CAP") for the tax years 2010 through 2012.

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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. The Retirement Plan was amended and restated effective January 1, 2008. The Retirement Plan was also amended on 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 Retirement Plan, but has not yet received a favorable determination letter. Additionally, 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 Retirement Plan.

Beginning January 1, 2012, the Retirement Plan will use a cash balance pension formula instead of a final average pay (“FAP”) formula, allowing all eligible employees to participate in the Retirement Plan. Participants will earn an annual credit equal to 4% of eligible pay. Interest is credited monthly based on a 30-year U.S. Treasury securities bond rate published by the Internal Revenue Service in the preceding August of each year. The accrued vested cash balance benefit is portable; participants can take it when they leave the Company’s employ. For participants in the Retirement Plan as of December 31, 2011, there will be a two-year transition period from the Retirement Plan’s current FAP formula to the cash balance pension formula. Due to ASC Topic 715 requirements, the accounting impact of the change in the Retirement Plan was recognized upon Board approval November 10, 2011. This change had no material impact on the Consolidated Financial Statements.

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 FAP 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 \$24.6, \$27.2, and \$22.3 for the years ended December 31, 2011, 2010, and 2009, 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

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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 January 1, 2008 and subsequently amended on July 1, 2008, with respect to the admission of employees from the acquisition of CitiStreet by Lion. The Savings Plan was most recently amended effective January 1, 2011 to permit Roth 401(k) contributions to be made to the Plan. ING North America filed a request for a determination letter on the qualified status of the Plan and received a favorable determination letter dated May 19, 2009. 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 6.0% 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. The cost allocated to the Company for the Savings Plan were \$9.8, \$10.7, and \$8.9, for the years ended December 31, 2011, 2010, and 2009, 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 Aetna Financial Services SERPs ceased, effective as of December 31, 2001 and participants begin accruing benefits under ING North America SERPs. 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.

Effective December 31, 2011, the Supplemental Executive Retirement Plan was amended to coordinate with the amendment of the Retirement Plan from its current final average pay formula to a cash balance formula.

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.

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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 table summarizes 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, 2011 and 2010.

| | 2011 | 2010 |
|---|----------------|----------------|
| Change in Projected Benefit Obligation: | | |
| Projected benefit obligation, January 1 | \$ 96.8 | \$ 90.2 |
| Interest cost | 5.0 | 5.1 |
| Benefits paid | (8.4) | (10.1) |
| Actuarial gain on obligation | 18.4 | 11.6 |
| Plan adjustments | (8.8) | - |
| Curtailments or settlements | (4.3) | - |
| Projected benefit obligation, December 31 | <u>\$ 98.7</u> | <u>\$ 96.8</u> |
| Fair Value of Plan Assets: | | |
| Fair value of plan assets, December 31 | <u>\$ -</u> | <u>\$ -</u> |

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Amounts recognized in the Consolidated Balance Sheets consist of:

| | 2011 | 2010 |
|--|-------------|-------------|
| Accrued benefit cost | \$ (98.7) | \$ (96.8) |
| Accumulated other comprehensive income | 34.0 | 30.0 |
| Net amount recognized | \$ (64.7) | \$ (66.8) |

Assumptions

The weighted-average assumptions used in the measurement of the December 31, 2011 and 2010 benefit obligation for the SERPs and Agents Non-Qualified Plan, were as follows:

| | 2011 | 2010 |
|--------------------------------|-------------|-------------|
| Discount rate at end of period | 4.75% | 5.50% |
| Rate of compensation increase | 3.00% | 3.00% |

In determining the discount rate assumption, the Company utilizes current market information provided by its plan actuaries, 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 4.75% was the appropriate discount rate as of December 31, 2011, to calculate the Company's accrued benefit liability.

The weighted-average assumptions used in calculating the net pension cost were as follows:

| | 2011 | 2010 | 2009 |
|---|-------------|-------------|-------------|
| Discount rate | 5.50% | 6.00% | 6.00% |
| Rate of increase in compensation levels | 3.00% | 3.00% | 1.50% |

Since the benefit plans of the Company are unfunded, an assumption for return on plan assets is not required.

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Net Periodic Benefit Costs

Net periodic benefit costs for the SERPs and Agents Non-Qualified Plan, for the years ended December 31, 2011, 2010, and 2009, were as follows:

| | 2011 | 2010 | 2009 |
|---|---------|--------|--------|
| Interest cost | \$ 5.0 | \$ 5.1 | \$ 5.3 |
| Net actuarial loss recognized in the year | 3.4 | 2.6 | 2.1 |
| Unrecognized past service cost recognized in the year | - | 0.1 | 0.1 |
| The effect of any curtailment or settlement | 2.2 | - | 0.1 |
| Net periodic benefit cost | \$ 10.6 | \$ 7.8 | \$ 7.6 |

Cash Flows

In 2012, the employer is expected to contribute \$8.8 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, 2012 through 2016, and thereafter through 2021, are estimated to be \$8.8, \$7.9, \$6.9, \$5.7, \$5.3, and \$26.5, respectively.

Stock Option and Share Plans

Through 2010, ING sponsored the ING Group Long-Term Equity Ownership Plan (“leo”), which provides employees of the Company who are selected by the ING Executive Board with 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.

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

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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.

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 immediate vesting will 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.

Commencing in 2011, ING introduced a new long-term equity and deferred bonus plan, the Long-Term Sustainable Performance Plan ("LSPP"). The terms applicable to an award under the LSPP will be set out in a grant agreement which is signed by the participant when he or she accepts the award. The LSPP will provide employees of the Company who are selected by the ING Executive Board with performance shares and will also require deferral of discretionary incentive bonus awards in excess of EUR 100,000. The performance shares awarded under the LSPP will be a contingent grant of ING ADR units and on settlement, the participant will have the right to either receive ING ADR units in kind or a cash amount equal to the closing price per ING share on the Euronext Amsterdam Stock Market on the settlement date times the number of vested ADR units, subject to achievement during the vesting period of performance targets based on return of equity and employee engagement. The excess bonus amount will be held in deferred ING ADR units or in a deferred cash account, or some combination thereof, depending on the total amount of the incentive bonus award, generally subject to vesting in three equal tranches over the three year period commencing on the date of incentive bonus payment. Unlike the leo plan, no options on ING shares in the form of ADRs will be granted under the LSPP. To vest in performance shares, deferred shares or deferred cash, an employee must generally be actively employed on the settlement date, although immediate full and partial vesting in the event of normal age or early retirement,

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death or disability, or termination due to redundancy or business divestiture will occur, similar to the vesting treatment in the leo plan.

The Company was allocated from ING compensation expense for the leo options, leo performance shares and LSPP of \$5.1, \$3.4, and \$3.7 for the years ended December 31, 2011, 2010, and 2009, respectively, primarily related to leo.

The Company recognized tax benefits of \$0.8, \$0.7, and \$0.1 in 2011, 2010, and 2009, respectively, and \$0.3, \$0.1, and \$0.1, respectively, are related to leo.

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. A request for a determination letter on the qualified status of the ING 401(k) Plan for ILIAC Agents was filed with the IRS on January 1, 2008. A favorable determination letter was received dated January 5, 2011.
- 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 and the Company subsidizes a portion of the monthly per-participant premium. Beginning August 1, 2009, the Company moved from self-insuring these costs and began to use a private-fee-for-service Medicare Advantage program for post-Medicare eligible retired participants. In addition, effective October 1, 2009, the Company no longer subsidizes medical premium costs for early retirees. This change does not impact any participant currently retired and receiving coverage under the plan or any employee who is eligible for coverage under the plan and whose employment ended before October 1, 2009. The Company continues to offer access to medical coverage until retirees become eligible for Medicare. 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.

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The benefit charges allocated to the Company related to these plans for the years ended December 31, 2011, 2010, and 2009, were \$9.9, \$11.9, and \$12.1, 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, 2011, 2010, and 2009, expenses were incurred in the amounts of \$22.8, \$23.7, and \$35.9, respectively.
- 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, 2011, 2010, and 2009, expenses were incurred in the amounts of \$180.6, \$209.7, and \$140.2, 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, 2011, 2010, and 2009, net expenses related to the agreement were incurred in the amount of \$29.8, \$53.3, and \$26.3, respectively.
- Service agreement with ING Institutional Plan Services, LLC (“IIPS”) effective November 30, 2008 pursuant to which IIPS provides recordkeeper services to certain benefit plan clients of ILIAC. For the years ended December 31, 2011, 2010, and 2009, ILIAC’s net earnings related to the agreement were in the amount of \$8.4, \$2.2, and \$7.8, respectively.
- Intercompany agreement with IIM pursuant to which IIM agreed, effective January 1, 2010, to pay the Company, on a monthly basis, a portion of the revenues IIM earns as investment adviser to certain U.S. registered investment companies that are investment options under certain of the Company’s variable insurance products. For the years ended December 31, 2011 and 2010, revenue under the IIM intercompany agreement was \$24.7 and \$24.1, 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. Revenues and expenses recorded as a result of transactions and agreements with affiliates may not be the same as those incurred if the Company was not a wholly-owned subsidiary of its Parent.

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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, 2011, 2010, and 2009, commissions were collected in the amount of \$218.3, \$220.0, and \$275.3. Such commissions are, in turn, paid to broker-dealers.
- Intercompany agreements with each of ING USA, IIPS, ReliaStar Life Insurance Company and Security Life of Denver Insurance Company (individually, the “Contracting Party”) pursuant to which DSL agreed, effective January 1, 2010, to pay the Contracting Party, on a monthly basis, a portion of the revenues DSL earns as investment adviser to certain U.S. registered investment companies that are either investment option under certain variable insurance products of the Contracting Party or are purchased for certain customers of the Contracting Party. For the year ended December 31, 2011 and 2010, expenses were incurred under these intercompany agreements in the aggregate amount of \$207.9 and \$204.5, respectively.
- Prior to January 1, 2010, DSL was a party to a service agreement with ING USA pursuant to which ING USA provided DSL with managerial and supervisory services in exchange for a fee. This service agreement was terminated as of January 1, 2010. For the year ended December 31, 2009, expenses were incurred under this service agreement in the amount of \$123.2.
- Service agreement with RLNY whereby DSL receives managerial and supervisory services and incurs a fee. For the years ended December 31, 2011, 2010, and 2009, expenses were incurred under this service agreement in the amount of \$3.2, \$3.3, and \$1.2, 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, 2011, 2010, and 2009, expenses were incurred in the amounts of \$23.3, \$19.8, and \$12.5, respectively.

Investment Advisory and Other Fees

Effective January 1, 2007, ILIAC’s investment advisory agreement to serve as investment advisor to certain variable funds offered in Company products (collectively, 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

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average daily net assets. The total amount of compensation and fees received by the Company from the Company Funds and separate accounts totaled \$103.2, \$246.1, and \$212.3, (excludes fees paid to ING Investment Management Co.) in 2011, 2010, and 2009, respectively.

DSL has been retained by ING Investors Trust (“IIT”), an affiliate, pursuant to a management agreement to provide advisory, management, administrative and other services to IIT. Under the management agreement, DSL provides or arranges for the provision of all services necessary for the ordinary operations of IIT. DSL earns a monthly fee based on a percentage of average daily net assets of IIT. 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 IIT and is compensated a portion of the fees received by DSL under the management agreement. In addition to being the investment advisor of the Trust, DSL is the investment advisor of ING Partners, Inc. (the “Fund”), an affiliate. DSL and the Fund have an investment advisory agreement, whereby DSL has overall responsibility to provide portfolio management services for the Fund. The Fund pays DSL a monthly fee, net of sub advisory fees, which is based on a percentage of average daily net assets. For the years ended December 31, 2011, 2010, and 2009, revenue received by DSL under these agreements (exclusive of fees paid to affiliates) was \$323.2, \$314.3, and \$270.0, respectively. At December 31, 2011 and 2010, DSL had \$22.9 and \$25.1, respectively, receivable from IIT under the management agreement.

Financing Agreements

Reciprocal Loan Agreement

The Company 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, 2016, either party can borrow from the other up to 3.0% of the Company’s statutory admitted assets as of the preceding December 31. Interest on any Company 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 borrowing 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, the Company incurred an immaterial amount of interest expense for the years ended December 31, 2011, 2010, and 2001, and earned interest income of \$1.3, \$0.9, and \$1.0, for the years ended December 31, 2011, 2010, and 2009, 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, 2011 and 2010, the Company had an outstanding receivable of \$648.0 and \$304.1, respectively, with ING AIH under the reciprocal loan agreement.

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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 bears interest at a rate of 6.26% per year. 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 was \$11.1 for each of the years ended December 31, 2011, 2010, and 2009.

Illiquid Assets Back-Up Facility

In the first quarter of 2009, ING reached an agreement, for itself and on behalf of certain ING affiliates including the Company, with the Dutch State on the Illiquid Assets Back-Up Facility (the “Back-Up Facility”) covering 80% of ING’s Alt-A RMBS. Under the terms of the Back-Up Facility, a full credit risk transfer to the Dutch State was realized on 80% of ING’s Alt-A RMBS owned by ING Bank, FSB and ING affiliates within ING U.S. insurance with a book value of \$36.0 billion, including book value of \$802.5 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 participates in 80% of any results of the ING Alt-A RMBS portfolio. The risk transfer to the Dutch State took place at a discount of approximately 10% of par value. In addition, under the Back-Up Facility, other fees were paid both by the Company and the Dutch State. Each ING company participating in the ING-Dutch State Transaction, including the Company remains the legal owner of 100% of its Alt-A RMBS portfolio and will remain exposed to 20% of any results on the portfolio. The ING-Dutch State Transaction closed on March 31, 2009, with the affiliate participation conveyance and risk transfer to the Dutch State described in the succeeding paragraph taking 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 entered into a participation agreement with its affiliates, ING Support Holding B.V. (“ING Support Holding”) and ING pursuant to which the Company conveyed to ING Support Holding an 80% participation interest in its Designated Securities Portfolio and will pay a periodic transaction fee, and received, 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 is obligated to pay certain periodic fees and make certain periodic payments with respect to the Company’s Designated Securities Portfolio, and ING Support Holding is obligated to pay a periodic guarantee fee and make periodic payments to the Dutch State equal to the distributions

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made with respect to the 80% participation interest in the Company's Designated Securities Portfolio. The Dutch State payment obligation to the Company under the Company Back-Up Facility is accounted for as a loan receivable for U.S. GAAP and is reported in Loan - Dutch State obligation on the Consolidated Balance Sheets.

Upon the closing of the transaction on March 31, 2009, the Company recognized a gain of \$206.2, which was reported in Net realized capital losses on the Consolidated Statements of Operations.

In a second transaction, known as the Step 1 Cash Transfer, a portion of the Company's Alt-A RMBS which had a book value of \$4.2 was sold for cash to an affiliate, Lion II Custom Investments LLC ("Lion II"). Immediately thereafter, Lion II sold to ING Direct Bancorp the purchased securities (the "Step 2 Cash Transfer"). Contemporaneous with the Step 2 Cash Transfer, ING Direct Bancorp included such purchased securities as part of its Alt-A RMBS portfolio sale to the Dutch State. The Step 1 Cash Transfer closed on March 31, 2009, and the Company recognized a gain of \$0.3 contemporaneous with the closing of the ING-Dutch State Transaction, which was reported in Net realized capital losses on the Consolidated Statements of Operations.

As part of the final restructuring plan submitted to the EC in connection with its review of the Dutch state aid to ING (the "Restructuring Plan"), ING has agreed to make additional payments to the Dutch State corresponding to an adjustment of fees for the Back-Up Facility. Under this new agreement, the terms of the ING-Dutch State Transaction which closed on March 31, 2009, including the transfer price of the Alt-A RMBS securities, remain unaltered and the additional payments are not borne by the Company or any other ING U.S. subsidiaries.

Property and Equipment Sale

During the second quarter of 2009, ING's U.S. life insurance companies, including the Company, sold a portion of its property and equipment in a sale/leaseback transaction to an affiliate, ING North America. The fixed assets involved in the sale were capitalized assets generally depreciated over the expected useful lives and software in development. Since the assets were being depreciated using expected useful lives, the current net book value reasonably approximated the current fair value of the assets being transferred. The fixed assets sold to ING North America by the Company totaled \$17.4.

Transfer of Registered Representatives

On January 1, 2011, IFA transferred a group of registered representatives and their related customer accounts to its broker-dealer affiliate, ING Financial Partners, Inc. and received \$5.0 as consideration for the transfer. Effective January 1, 2011, IFA operates exclusively as a wholesale broker-dealer.

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10. Financing Agreements

Windsor Property Loan

On June 16, 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 corporate office facility located at One Orange Way, Windsor, Connecticut that serves as the principal executive offices of the Company (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 provided for loan forgiveness during the first five years of the term at varying amounts up to \$5.0 if ILIAC and its affiliates met certain employment thresholds at the Windsor Property during that period. On December 1, 2008, the DECD determined that the Company had met the employment thresholds for loan forgiveness and, accordingly, forgave \$5.0 of the DECD Loan to ILIAC in accordance with the terms of the DECD Loan. The DECD Loan provides additional loan forgiveness at varying amounts up to \$4.9 if ILIAC and its ING affiliates meet certain employment thresholds at the Windsor Property during years five through ten 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.

At both December 31, 2011 and 2010, the amount of the loan outstanding was \$4.9, which was reflected in Long-term debt on the Consolidated Balance Sheets.

Also see Financing Agreements in the Related Party Transactions note to these Consolidated Financial Statements.

11. Reinsurance

At December 31, 2011, the Company had reinsurance treaties with 6 unaffiliated reinsurers covering a significant portion of the mortality risks and guaranteed death benefits under its variable contracts. At December 31, 2011, the Company did not have any outstanding cessions under any reinsurance treaties with affiliated reinsurers. The 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 a subsidiary of Lincoln for \$1.0 billion in cash. Under the agreement, the Lincoln subsidiary contractually assumed from the

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Company certain policyholder liabilities and obligations, although the Company remains obligated to contract owners. The Lincoln 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 \$10.3 and \$11.5 were maintained for this contract as of December 31, 2011 and 2010, respectively.

Reinsurance ceded in force for life mortality risks were \$16.2 billion and \$17.4 billion at December 31, 2011 and 2010, respectively. At December 31, 2011 and 2010, net receivables were comprised of the following:

| | 2011 | 2010 |
|-------------------------------------|-------------------|-------------------|
| Claims recoverable from reinsurers | \$ 2,276.3 | \$ 2,356.0 |
| Reinsured amounts due to reinsurers | (0.3) | 0.4 |
| Other | 0.3 | (0.5) |
| Total | <u>\$ 2,276.3</u> | <u>\$ 2,355.9</u> |

Premiums were reduced by the following amounts for reinsurance ceded for the years ended December 31, 2011, 2010, and 2009.

| | 2011 | 2010 | 2009 |
|---------------------|----------------|----------------|----------------|
| Premiums: | | | |
| Direct premiums | \$ 34.0 | \$ 67.6 | \$ 35.2 |
| Reinsurance assumed | 0.1 | - | 0.1 |
| Reinsurance ceded | (0.2) | (0.3) | (0.3) |
| Net premiums | <u>\$ 33.9</u> | <u>\$ 67.3</u> | <u>\$ 35.0</u> |

12. Commitments and Contingent Liabilities

Leases

All of the Company's expenses for leased and subleased office properties are paid for by an affiliate and allocated back to the Company, as all remaining operating leases were executed by ING North America Insurance Corporation as of December 31, 2008, which resulted in the Company no longer being party to any operating leases. For the years ended December 31, 2011, 2010, and 2009, rent expense for leases was \$5.0, \$4.0, and \$5.1, respectively.

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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.

As of December 31, 2011 and 2010, the Company had off-balance sheet commitments to purchase investments equal to their fair value of \$536.4 and \$336.3, respectively.

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, 2011 and 2010, the Company held \$110.0 and \$4.7, of cash collateral, respectively, which was included in Payables under securities loan agreement, including collateral held, on the Consolidated Balance Sheets. In addition, as of December 31, 2011 and 2010, the Company delivered collateral of \$77.9 and \$93.8, respectively, in fixed maturities pledged under derivatives contracts, which was included in Securities pledged 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.

Regulatory Matters

As with many financial services companies, the Company and its affiliates periodically receive informal and formal requests for information from various state and federal governmental agencies and self-regulatory organizations in connection with examinations, inquiries, investigations and audits of the products and practices of the Company or the financial services industry. These currently include an inquiry regarding the Company's policy for correcting errors made in processing trades for ERISA plans or

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plan participants. Some of these investigations, examinations, audits and inquiries could result in regulatory action against the Company. The potential outcome of the investigations, examinations, audits, inquiries and any such regulatory action is difficult to predict but could subject the Company to adverse consequences, including, but not limited to, additional payments to plans or participants, disgorgement, settlement payments, penalties, fines, and other financial liability and changes to the Company's policies and procedures, the financial impact of which cannot be estimated at this time, but management does not believe will have a material adverse effect on the Company's financial position or results of operations. It is the practice of the Company and its affiliates to cooperate fully in these matters.

13. Accumulated Other Comprehensive Income (Loss)

Shareholder's equity included the following components of AOCI as of December 31, 2011, 2010, and 2009.

| | 2011 | 2010 | 2009 |
|--|------------|----------|-----------|
| Fixed maturities | \$ 1,518.7 | \$ 933.8 | \$ 133.4 |
| Equity securities, available-for-sale | 13.1 | 21.0 | 12.8 |
| Derivatives | 173.7 | 0.5 | - |
| DAC/VOBA adjustment on available-for-sale securities | (801.7) | (461.7) | (88.8) |
| Sales inducements adjustment on available-for-sale securities | - | (0.3) | 0.2 |
| Premium deficiency reserve adjustment | (64.8) | (61.0) | - |
| Other investments | - | 0.1 | - |
| Unrealized capital gains, before tax | 839.0 | 432.4 | 57.6 |
| Deferred income tax asset / liability | (233.0) | (114.4) | (63.9) |
| Unrealized capital gains, after tax | 606.0 | 318.0 | (6.3) |
| Pension and other post-employment benefits liability, net of tax | (15.7) | (13.5) | (8.7) |
| Accumulated other comprehensive income (loss) | \$ 590.3 | \$ 304.5 | \$ (15.0) |

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Changes in AOCI, net of DAC, VOBA, and tax, related to changes in unrealized capital gains (losses) on securities, including securities pledged, were as follows for the years ended December 31, 2011, 2010, and 2009.

| | 2011 | 2010 | 2009 |
|---|----------|----------|------------|
| Fixed maturities | \$ 563.6 | \$ 813.1 | \$ 1,734.4 |
| Equity securities, available-for-sale | (7.9) | 8.2 | 20.2 |
| Derivatives | 173.2 | 0.5 | - |
| DAC/VOBA adjustment on | | | |
| available-for-sale securities | (340.0) | (372.9) | (873.7) |
| Sales inducements adjustment on | | | |
| available-for-sale securities | 0.3 | (0.5) | (2.2) |
| Premium deficiency reserve adjustment | (3.8) | (61.0) | - |
| Other investments | (0.1) | 0.1 | 0.3 |
| Change in unrealized gains on securities, before tax | 385.3 | 387.5 | 879.0 |
| Deferred income tax asset/liability | (111.1) | (54.9) | (239.1) |
| Change in unrealized gains on securities, after tax | 274.2 | 332.6 | 639.9 |
| Change in other-than-temporary impairment losses, before tax | 21.3 | (12.7) | (46.7) |
| Deferred income tax asset/liability | (7.5) | 4.4 | 16.3 |
| Change in other-than-temporary impairment losses, after tax | 13.8 | (8.3) | (30.4) |
| Pension and other post-employment benefit liability, before tax | (3.4) | (7.4) | 13.5 |
| Deferred income tax asset/liability | 1.2 | 2.6 | (4.2) |
| Pension and other post-employment benefit liability, after tax | (2.2) | (4.8) | 9.3 |
| Net change in unrealized gains, after tax | \$ 285.8 | \$ 319.5 | \$ 618.8 |

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Changes in unrealized capital gains on securities, including securities pledged and noncredit impairments, as recognized in AOCI, reported net of DAC, VOBA, and income taxes, were as follows for the years ended December 31, 2011, 2010, and 2009.

| | 2011 | 2010 | 2009 |
|--|----------|----------|----------|
| Net unrealized capital holding gains arising during the period ⁽¹⁾ | \$ 344.5 | \$ 284.8 | \$ 587.5 |
| Reclassification adjustment for gains (losses) and other items included in Net income (loss) ⁽²⁾ | (78.5) | (29.2) | (16.3) |
| Change in deferred tax asset valuation allowance | 22.0 | 68.7 | 38.3 |
| Net change in unrealized capital gains on securities | \$ 288.0 | \$ 324.3 | \$ 609.5 |
| ⁽¹⁾ Pretax unrealized capital holding gains (losses) arising during the year were \$526.8, \$417.6, and \$856.4, for the years ended December 31, 2011, 2010, and 2009, respectively. | | | |
| ⁽²⁾ Pretax reclassification adjustments for gains (losses) and other items included in Net income (loss) were \$120.0, \$42.8, and \$23.7, for the years ended December 31, 2011, 2010, and 2009, respectively. | | | |

The reclassification adjustments for gains (losses) and other items included in Net income (loss) in the above table are generally determined by FIFO methodology.

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| QUARTERLY DATA (UNAUDITED) | | | | | | | | | |
|---|--------------|---------------|--------------|---------------|--|--|--|--|--|
| (Dollar amounts in millions, unless otherwise stated) | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| 2011 | First | Second | Third | Fourth | | | | | |
| Total revenue | \$ 594.0 | \$ 632.0 | \$ 538.1 | \$ 544.9 | | | | | |
| Income (loss) before income taxes | 170.9 | 162.3 | (26.2) | 33.4 | | | | | |
| Income tax expense (benefit) | 84.2 | 43.6 | (108.0) | (16.0) | | | | | |
| Net income | \$ 86.7 | \$ 118.7 | \$ 81.8 | \$ 49.4 | | | | | |
| 2010 | First | Second | Third | Fourth | | | | | |
| Total revenue | \$ 520.6 | \$ 542.4 | \$ 549.5 | \$ 613.5 | | | | | |
| Income before income taxes | 104.9 | 78.4 | 127.2 | 267.2 | | | | | |
| Income tax expense (benefit) | 14.0 | 34.7 | (8.8) | 100.9 | | | | | |
| Net income | \$ 90.9 | \$ 43.7 | \$ 136.0 | \$ 166.3 | | | | | |

