



Scottish Re™

Scottish Re's Proposed Acquisition of
ING Re Individual Life Business

INVESTOR PRESENTATION

October 18, 2004

Forward Looking Statement

Certain statements included herein are "forward-looking statements" within the meaning of the federal securities laws. The management of Scottish Re Group Limited cautions that forward-looking statements are not guarantees, and that actual results could differ materially from those expressed or implied in the forward-looking statements. Important events that could cause the actual results of operations or financial condition of the Company to differ include, but are not necessarily limited to, the Company's ability to attract clients and generate business; the competitive environment; the Company's ability to underwrite business; performance of outside service providers; mortality risk; surrender risk; investment risk (including asset value risk, reinvestment risk and disintermediation risk); the impact of unforeseen economic changes (such as changes in interest rates, currency exchange rate, inflation rates, recession and other external economic factors); the impact of terrorist activities on the economy, the insurance and related industries in general and the Company in particular; regulatory changes (such as changes in U.S. tax law and insurance regulation which directly affect the competitive environment for the company's products); rating agency policies and practices; and loss of key executives. Investors are also directed to consider the risks and uncertainties discussed in documents filed by the Company with the Securities and Exchange Commission.

Transaction Overview

- Scottish Re to acquire U.S. individual life reinsurance business of ING Re
- As consideration, ING will transfer to Scottish Re:
 - Assets equal to economic reserves of approximately \$800 million
 - A ceding commission of \$560 million
 - Certain systems and operating assets
- Scottish Re will raise \$230 million of additional capital to enhance post-transaction RBC
 - \$180 million of common equity
 - \$50 million of trust preferred
- Transaction economics enhanced by Scottish Re's efficient organizational structure
- Scottish Re expects the rating agencies to reaffirm current ratings, with outlooks adjusted for the materiality of the transaction
- Expected closing by year end 2004

Strategic Rationale

Transaction is transformational from both a strategic and financial perspective.

- Increase market presence and scale
- Opportunities for further expansion in U.S. life reinsurance market
- Acquire talented reinsurance specialists and enhance skill base
- Portfolio diversification
- Operating synergies
- Extend client base - little overlap in large clients
- Benefit clients globally
- Immediately accretive to ROE & EPS

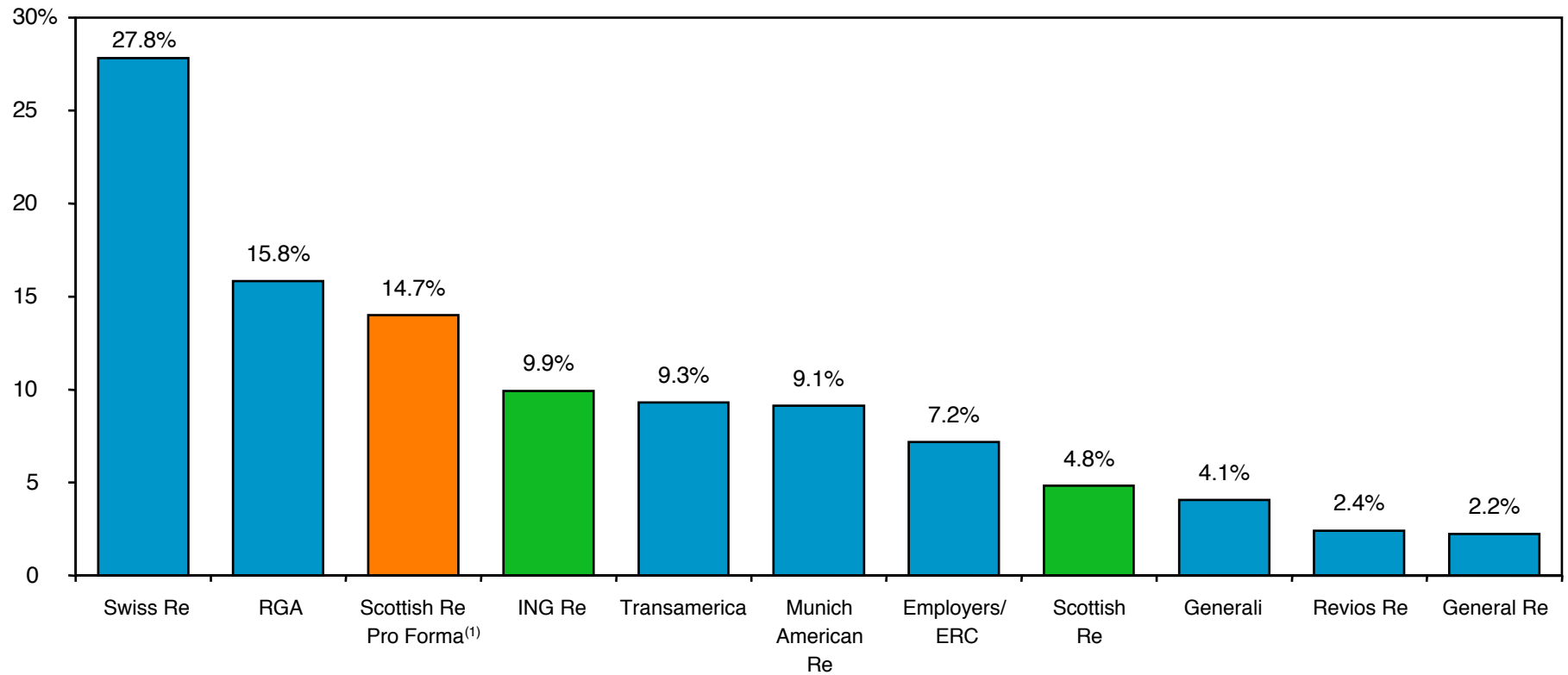
Scottish Re Overview

Scottish Re is a global leader in the life reinsurance marketplace.

- Formed in 1998, Scottish Re is the only independent pure-play life reinsurer in the world
- Substantial growth both organically and through acquisitions
 - Harbourton Reassurance (October 1999)
 - World-Wide Holdings (December 2001)
 - ERC Life Reassurance Company (December 2003)
- Increased U.S. market share to 6.0% in 2003
- Scottish Re has developed a global footprint, with a presence in over 48 countries
- Efficient corporate organization
 - Capital and tax efficient
 - Leveragable platform

2003 Market Share

Scottish Re will become the 3rd largest U.S. life reinsurer by in-force.

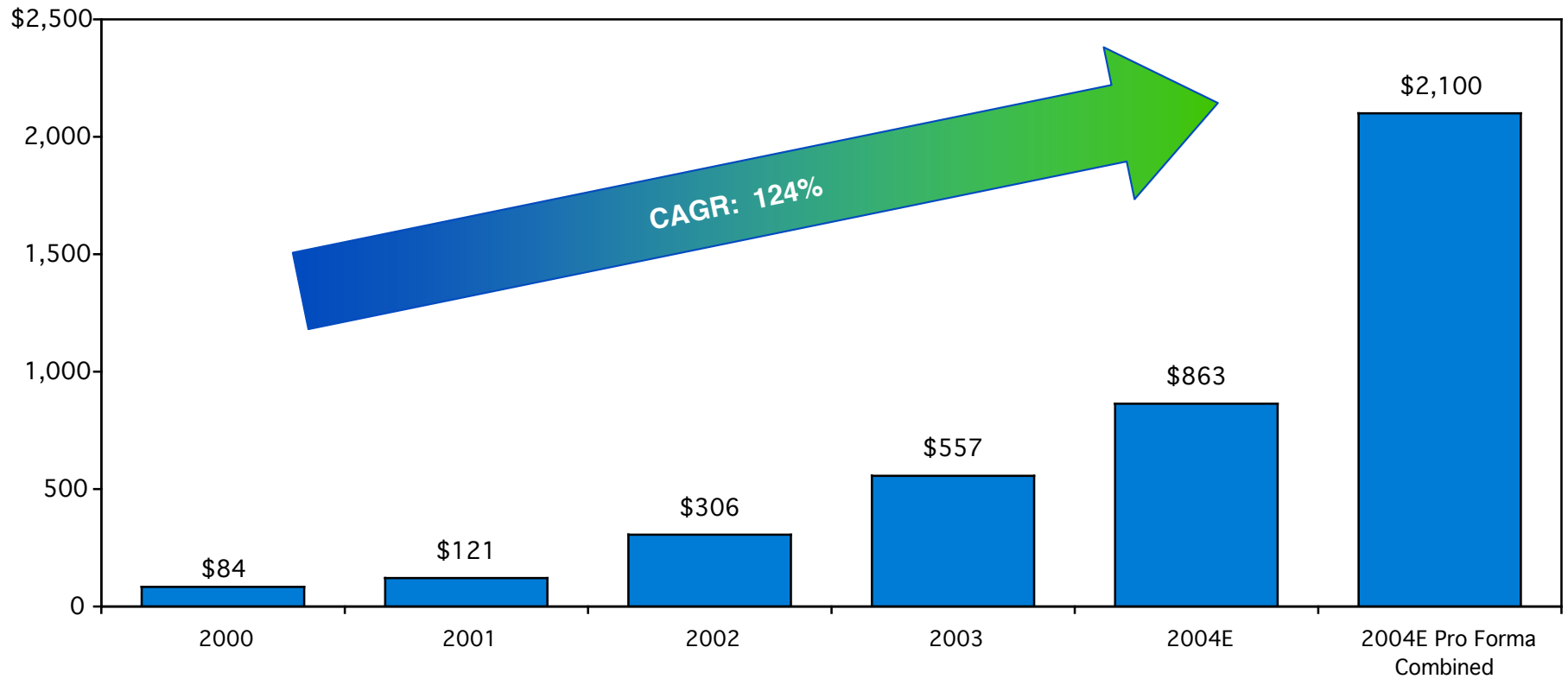


Source: 2003 Society of Actuaries Life Reinsurance survey.

(1) Estimated pro forma market share based on business acquired.

Growth in Scottish Re Revenues

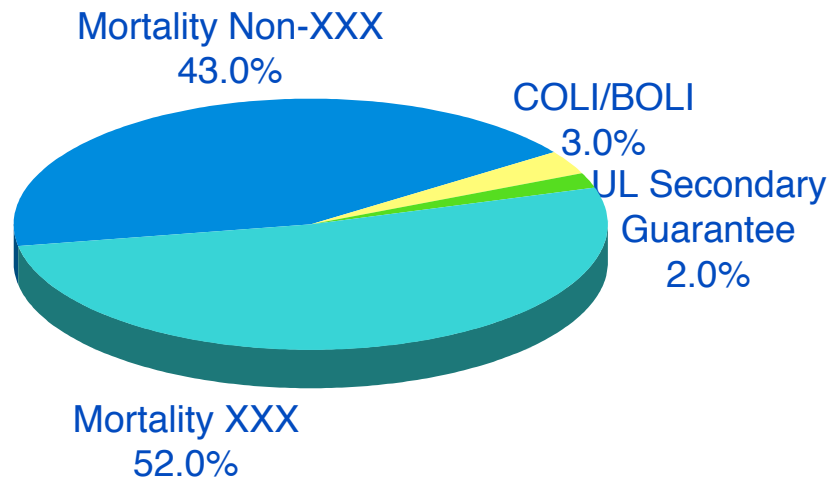
(\$ in millions)



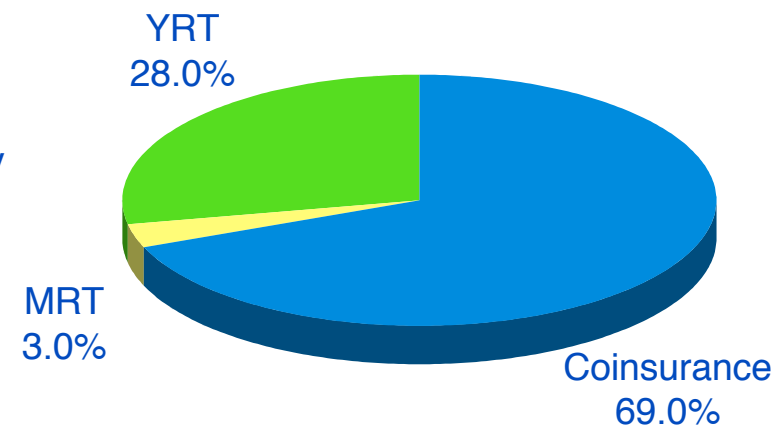
Overview of Acquired Business

- Reinsures mortality risk on individual life insurance products
- Sizable business, 3rd largest U.S. writer by in-force and by new business as of 2003
- Assets transferred at market include cash and investment grade bonds
- Acquiring certain operating assets and systems

**December 31, 2003 In-force
Total Amount: \$573.1 billion**



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Total Amount: \$573.1 billion**



Preliminary Integration Plan

- Personnel and systems in place to manage business
- Combine traditional life reinsurance operations
- Implement Scottish Re risk management principals
 - Manage per life retention to minimize earnings volatility
 - Pool participation maximum of 25%
 - Scottish Re catastrophe and clash cover
- Cease facultative business

Financing Summary

- Scottish Re is raising approximately \$230 million of additional capital to enhance post transaction RBC levels
- \$50 million of new trust preferred securities
- Approximately \$180 million of additional financing to be provided by Cypress
 - Cypress is a private equity specializing in investments in financial services businesses
- Cypress investment intended to be in the form of common equity
 - Ordinary shares representing 9.9% of post-money shares outstanding, purchased at \$19.375 per share
 - Warrants, along with ordinary shares, representing 19.9% ownership
 - \$40 million aggregate principal amount of 7% Convertible Subordinated Notes
 - Cypress will have the right to appoint one director and one non-voting observer to the Board of Directors
- Upon receipt of shareholder vote and regulatory approval, all Cypress securities will be automatically converted into common shares
 - Approval is expected in 1Q 2005
- ING will provide collateral support for all current and future XXX reserves for the duration of the business

Financial Outlook

- Financial contribution
 - Acquisition expected to add \$1.2 billion of premiums in 2005
 - Acquisition expected to add \$1.3 billion of assets to balance sheet at close
- Operating earnings per share
 - Existing Scottish Re business expected to grow 20% over 2004
 - Acquisition expected to add in excess of 10% to 2005 results
- Return on Equity
 - Standalone business priced to achieve in excess of 15% ROE
 - Combined entity expected to achieve 15% ROE target in 2005

Transaction Highlights

- Provides excellent strategic fit to enhance and strengthen business
- Combination creates top 10 player globally and #3 in U.S.
- Combining resources, knowledge, people and expertise will enhance shareholder value
- Immediately accretive to ROE and EPS



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