

Private Investor Group Agrees to Acquire Republic Group of Insurance Companies

DALLAS, May 12, 2003 – The Republic Group of Insurance Companies (“Republic”), of Dallas, today announced that a private investor group has agreed to purchase Republic from Winterthur US Holdings, Inc. and certain other subsidiaries of Credit Suisse Group (“Winterthur”) for \$127 million in cash.

Founded in 1903, Republic is a medium-sized provider of property and auto insurance for individuals and commercial insurance for main-street businesses in Texas, Louisiana, New Mexico, and Oklahoma. The company, with approximately 400 employees, distributes its products through a network of approximately 700 independent agents as well as through several professionally managed programs. Republic has been owned by Winterthur since 1982.

The acquisition, which is fully endorsed by Republic’s management, is led by Wand Partners, a private equity firm that specializes in insurance investments. The other sponsoring investors include Banc of America Capital Investors, Greenhill Capital Partners, Brazos Private Equity Partners, 21st Century Group, LLC, and Norwest Equity Partners.

Bruce Milligan, Chief Executive Officer of Republic, said: “Republic has been a trusted name in insurance in Texas since the company was founded exactly one hundred years ago. We are delighted to have the support of experienced private equity investors who are knowledgeable about the insurance industry and who have invested together successfully in the past. Under our new ownership, Republic will be able to grow with its agents and better meet the insurance needs of our region.”

Bruce Schnitzer, Chairman of Wand Partners, said: “Republic will operate independently under the leadership of Bruce Milligan and his current management team and will continue to focus its activities on Texas and surrounding states. Our investor group is pleased to have the opportunity to support Republic’s management and provide the capital required to further develop Republic’s market position.”

The transaction, which is subject to regulatory approval, is expected to be completed in the third quarter of 2003.

More information on Republic is available at www.Republink.com.

Contact: Roy Winnick
Kekst and Company
212-521-4842

Wand Partners Inc.

Since 1985, Wand Partners has been an active private equity investor, based in New York City. Wand invests primarily in Specialty Financial Service businesses, including ten previous investments in the insurance industry. Wand manages about \$250 million of equity capital and seeks to build sound, profitable, growing businesses and achieve attractive returns at exit values that represent traditionally justifiable multiples of cash flow and/or book value.

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Banc of America Capital Investors

Banc of America Capital Investors (“BACI”) is a private equity partnership that manages over \$2 billion of capital for Bank of America. BACI has more than a decade of success in providing mezzanine and equity capital for growth financings, buyouts, acquisitions and recapitalizations. Since its founding in 1993, BACI has invested in more than 100 companies in a wide variety of industries. Financial services and insurance are primary areas of focus.

Greenhill Capital Partners, LLC

Greenhill Capital Partners (“GCP”) is a part of Greenhill & Co., a leading merchant banking firm, headquartered in New York City. GCP manages a \$425 million private equity fund focused on growth and value opportunities in selected industries including financial services.

Brazos Private Equity Partners, LLC

Brazos Private Equity Partners provides capital for acquisitions and recapitalizations of established middle-market companies. Through limited partner and co-investment capital, Brazos has approximately \$400 million available for investment. Based in Dallas, Brazos partners with management teams to invest in manufacturing, consumer products, healthcare, media, distribution, and financial service businesses.

21st Century Group, LLC

21st Century Group, LLC is a Dallas-based private equity fund focused on middle market acquisitions and growth capital investments. Founded in 1998, the firm makes investments in basic manufacturing, distribution, financial/business services, and media enterprises. 21st Century Group, LLC manages approximately \$80 million of institutional capital.

Norwest Equity Partners

Norwest Equity Partners has, over the past 40 years, become one of the premier private equity firms in the United States and is the private equity investment arm of Wells Fargo & Co. Norwest has over \$1.5 billion in capital and commitments under management and is presently investing out of Norwest Equity Partners VII, an \$800 million fund and Norwest Mezzanine Partners I, a \$250 million fund.

Winterthur Group

Winterthur Group is a leading Swiss insurance company with head office in Winterthur and, as an international company, ranks among the top five providers of direct insurance in Europe. The Group's products include a broad range of property and liability insurance products, as well as insurance solutions in life and pensions that are tailored to the individual needs of private and corporate clients. With approximately 32,000 employees worldwide, Winterthur Group achieved a premium volume of CHF 37.4 billion in 2002 and reported assets under management of CHF 142.8 billion as of 31 March 2003.

Credit Suisse Group

Credit Suisse Group is a leading global financial services company headquartered in Zurich. The business unit Credit Suisse Financial Services provides private clients and small and medium-sized companies with private banking and financial advisory services, banking products, and pension and insurance solutions from Winterthur. The business unit Credit Suisse First Boston, an investment bank, serves global institutional, corporate, government and individual clients in its role as a financial intermediary. Credit Suisse Group's registered shares (CSGN) are listed in Switzerland and Frankfurt, and in the form of American Depositary Shares (CSR) in New York. The Group employs around 73,000 staff worldwide. As of March 31, 2003, it reported assets under management of CHF 1,160.5 billion.