

Republic Group of Insurance Companies Acquired by Private Investor Group

DALLAS, August 29, 2003 – The Republic Group of Insurance Companies (“Republic”) today announced the completion of its acquisition by a private investor group, in a cash transaction valued at \$127 million. Republic was previously owned by Winterthur US Holdings, Inc. and certain other subsidiaries of Credit Suisse Group.

The principal investors in Republic are Banc of America Capital Investors, Greenhill Capital Partners, Brazos Private Equity Partners, 21st Century Group, LLC and Norwest Equity Partners. Wand Partners, a private equity firm that specializes in insurance investments, organized the acquisition in support of the current management of Republic.

Founded in 1903, Republic provides personal 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 and through professionally managed, specialty programs.

Bruce Milligan, Chief Executive Officer of Republic, said: “We are delighted that the transaction has been completed and excited about the opportunity afforded by our new ownership. As a newly independent company, we look forward to working with our agents to expand our business and meet the insurance needs of our region.”

Trey Sheridan, a Managing Director of Banc of America Capital Investors, said: “Republic has been a trusted name in insurance in Texas since the company’s formation a century ago. We look forward to supporting Bruce Milligan and his colleagues as they build the value of Republic for all of its constituents, including agents, customers, employees, reinsurers and investors.”

Scott Bok, a Managing Director of Greenhill Capital Partners, said: “We are pleased to be major participants in this transaction and excited about the long-term outlook for this outstanding insurance company as it continues to serve the insurance needs of Texas and other states.”

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

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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 among the primary areas of focus.

Greenhill Capital Partners, LLC

Greenhill Capital Partners (“GCP”) is a part of Greenhill & Co., a leading independent merchant bank with offices in New York, London and Frankfurt. GCP is a \$425 million private equity fund focused on the proprietary deal flow provided by Greenhill & Co.’s insights into, and relationships within, the energy, financial services, telecommunications and consumer products industries.

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.

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.

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.

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.