

CNA Surety Corporation
 Press Release Investor Data
 (Amounts in thousands, except per share data)

	Three Months Ended		Years Ended	
	December 31,		December 31,	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Operating Results:				
Gross written premiums	<u>\$ 83,746</u>	\$ 74,243	<u>\$ 333,003</u>	\$ 316,667
Net written premiums	<u>\$ 78,295</u>	\$ 71,753	<u>\$ 315,804</u>	\$ 304,468
Revenues:				
Net earned premiums	\$ 83,380	\$ 77,037	\$ 320,910	\$ 301,819
Net investment income	7,212	8,001	29,515	29,897
Net realized investment gains (losses)	<u>(484)</u>	<u>366</u>	<u>46</u>	<u>557</u>
Total revenues	<u>90,108</u>	<u>85,404</u>	<u>350,471</u>	<u>332,273</u>
Expenses:				
Net losses and loss adjustment expenses ⁽¹⁾	30,869	16,740	80,836	55,683
Net commissions, brokerage and other underwriting	56,108	46,497	202,877	181,655
Interest expense	577	1,797	3,925	6,956
Non-recurring charge ⁽²⁾	—	—	—	500
Amortization of intangible assets	1,524	1,524	6,097	6,097
Total expenses	<u>89,078</u>	<u>66,558</u>	<u>293,735</u>	<u>250,891</u>
Income before income taxes	1,030	18,846	56,736	81,382
Income taxes	423	6,802	19,828	27,780
Net income	<u>\$ 607</u>	<u>\$ 12,044</u>	<u>\$ 36,908</u>	<u>\$ 53,602</u>
Basic earnings per common share	<u>\$0.01</u>	<u>\$0.28</u>	<u>\$ 0.86</u>	<u>\$1.25</u>
Diluted earnings per common share	<u>\$0.01</u>	<u>\$0.28</u>	<u>\$ 0.86</u>	<u>\$1.25</u>
Basic weighted average shares outstanding	<u>42,767</u>	<u>42,827</u>	<u>42,744</u>	<u>42,898</u>
Diluted weighted average shares outstanding	<u>42,974</u>	<u>42,936</u>	<u>42,938</u>	<u>43,028</u>
Operating Earnings, After Income Taxes:				
Net income	\$ 607	\$ 12,044	\$ 36,908	\$ 53,602
Net realized investment (gains) losses	315	(238)	(30)	(362)
Non-recurring charge ⁽²⁾	—	—	—	325
Operating earnings	<u>\$ 922</u>	<u>\$ 11,806</u>	<u>\$ 36,878</u>	<u>\$ 53,565</u>
Diluted Per Share Data:				
Net income	\$0.01	\$ 0.28	\$ 0.86	\$ 1.25
Net realized investment (gains) losses	0.01	(0.01)	—	(0.01)
Non-recurring charge	—	—	—	0.01
Operating earnings	<u>\$0.02</u>	<u>\$0.27</u>	<u>\$ 0.86</u>	<u>\$ 1.25</u>
Dividends Paid Per Share	<u>\$0.15</u>	<u>\$ 0.08</u>	<u>\$ 0.54</u>	<u>\$ 0.32</u>

See notes to Press Release Investor Data on page 2.

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	Three Months Ended		Years Ended	
	December 31,		December 31,	
	2001	2000	2001	2000
<u>Underwriting Results:</u>				
Gross written premiums:				
Contract	\$ 45,589	\$ 38,460	\$ 180,588	\$ 161,539
Commercial	32,093	29,624	125,026	128,556
Fidelity and other	6,064	6,159	27,389	26,572
	<u>83,746</u>	<u>74,243</u>	<u>333,003</u>	<u>316,667</u>
Net written premiums:				
Contract	\$ 40,602	\$ 36,398	\$ 165,603	\$ 150,504
Commercial	31,629	29,196	122,812	126,923
Fidelity and other	6,064	6,159	27,389	27,041
	<u>\$ 78,295</u>	<u>\$ 71,753</u>	<u>\$ 315,804</u>	<u>\$ 304,468</u>
Net earned premiums	\$ 83,380	\$ 77,037	\$ 320,910	\$ 301,819
Net losses and loss adjustment expenses ⁽¹⁾	30,869	16,740	80,836	55,683
Net commissions, brokerage and other underwriting expenses	56,108	46,497	202,877	181,655
Underwriting income	<u>\$ (3,597)</u>	<u>\$ 13,800</u>	<u>\$ 37,197</u>	<u>\$ 64,481</u>
Loss ratio ⁽¹⁾	37.0%	21.7%	25.2%	18.4%
Expense ratio	<u>67.3</u>	<u>60.4</u>	<u>63.2</u>	<u>60.2</u>
Combined ratio ⁽¹⁾	<u>104.3%</u>	<u>82.1%</u>	<u>88.4%</u>	<u>78.6%</u>

Cash Flow Data:

Net cash provided by operations	\$ 21,020	\$ 10,448	\$ 57,038	\$ 79,244
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Consolidated Balance Sheet Data:

	December 31,	December 31,
	2001	2000
Invested assets and cash	\$ 579,657	\$ 555,975
Intangible assets, net	143,785	149,882
Total assets	1,061,598	950,568
Insurance reserves	515,372	406,636
Long-term debt	76,195	101,556
Total stockholders' equity	388,428	374,032
Book value per share	\$ 9.08	\$ 8.76
Outstanding shares	<u>42,780</u>	<u>42,702</u>

Notes to Press Release Investor Data

(1) Includes the effect of recording revisions of prior year reserves. The dollar amount and the percentage point effect on the loss ratio of these reserve revisions were an addition of \$4,441, or 5.3% and a reduction of \$337 or 0.4 % for three months ended December 31, 2001 and 2000, and an addition of \$4,812, or 1.5% and a reduction of \$7,093 or 2.4% for twelve months ended December 31, 2001 and 2000, respectively.

(2) Relates to costs incurred with respect to the proposed tender offer by CNA Financial.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: The statements which are not historical facts contained in this release are forward-looking statements that involve risks and uncertainties, including, but not limited to, product and policy demand and market response risks, the effect of economic conditions, the impact of competitive products, policies and pricing, product and policy development, regulatory changes and conditions, rating agency policies and practices, development of claims and the effect on loss reserves, the performance of reinsurance companies under reinsurance contracts with the Company, investment portfolio developments and reaction to market conditions, the results of financing efforts, the actual closing of contemplated transactions and agreements, the effect of the Company's accounting policies, and other risks detailed in CNA Surety Corporation's Securities and Exchange Commission filings. No assurance can be given that the actual results of operations and financial condition will conform to the forward-looking statements contained herein.