Protective Life Corporation
Post Office Box 2606
Birmingham, AL 35202
Phone 205 268-1000

<u>FOR IMMEDIATE RELEASE</u>

Protective Reports First Quarter 2014 Financial Results

- **Operating earnings of $96.5 million, or $1.19 per share, up 34% over the prior year**
- **Net income of $83.6 million, or $1.03 per share, up 6% over the prior year**
- **MONY acquisition integration on track**
- **Strong Annuity and Stable Value spreads**

BIRMINGHAM, Alabama (May 7, 2014) – Protective Life Corporation (NYSE: PL) ("the Company") today reported results for the first quarter of 2014. Net income for the first quarter of 2014 was $83.6 million or $1.03 per average diluted share, compared to $78.3 million or $0.97 per average diluted share in the first quarter of 2013. After-tax operating income was $96.5 million or $1.19 per average diluted share, compared to $71.4 million or $0.89 per average diluted share in the first quarter of 2013.

"We are pleased to report solid results across all segments in the first quarter," said John D. Johns, Chairman, President, and CEO. "Operating earnings of $1.19 per share were up 34% over the first quarter of 2013 and exceeded our plan for the quarter by $.07 per share. Strong results in the Annuity and Stable Value lines offset the impact of unfavorable mortality in Life Marketing, Acquisitions and Annuities. While sales in Life Marketing and Annuities were below plan in the quarter, our recent sales trends have improved and we expect to see sales revert to plan as the year progresses. The MONY acquisition integration plan is on track, and the Acquisition segment reported record earnings of $61.0 million, including a strong contribution from the MONY blocks. We are off to a strong start in 2014, and we remain confident in our ability to achieve or exceed our plans for the year."

Business Segment Results

The table below sets forth business segment operating income (loss) before income tax for the periods shown:

Operating Income (Loss) Before Income Tax
($ in thousands)

	1Q14	1Q13	$ Change	% Change
Life Marketing	$ 23,485	$ 23,707	$ (222)	(1) %
Acquisitions	60,996	34,377	26,619	77
Annuities	51,643	43,398	8,245	19
Stable Value Products	17,397	17,844	(447)	(3)
Asset Protection	6,369	6,081	288	5
Corporate & Other	(14,855)	(18,332)	3,477	19
	$ 145,035	$ 107,075	$ 37,960	35

The following table reconciles segment operating income to consolidated net income:

($ in thousands)

	1Q14	1Q13
Operating income before income tax	$ **145,035**	$ **107,075**
Realized investment gains (losses)	(17,840)	11,579
Less:		
Amortization of deferred policy acquisition costs, value of business acquired, and benefits and settlement expenses	1,990	1,027
Income tax expense	41,566	39,336
Net income	$ **83,639**	$ **78,291**

Sales

The Company uses sales statistics to measure the relative progress of its marketing efforts. The Company derives these statistics from various sales tracking and administrative systems and not from its financial reporting systems or financial statements. These statistics measure only one of many factors that may affect future profitability of the business segments and therefore are not intended to be predictive of future profitability.

The table below sets forth business segment sales for the periods shown:

($ in millions)

	1Q14	1Q13	$ Change	% Change
Life Marketing	$ 28.3	$ 47.3	$ (19.0)	(40)%
Annuities	416.4	695.1	(278.7)	(40)
Stable Value Products	25.9	112.0	(86.1)	(77)
Asset Protection	105.5	104.1	1.4	1

Review of Business Segment Results

Life Marketing

Life Marketing segment pre-tax operating income was $23.5 million in the first quarter of 2014, representing a slight decrease of $0.2 million from the three months ended March 31, 2013. The decrease was primarily due to unfavorable mortality and unfavorable retrospective unlocking compared to the first quarter of 2013. Traditional life mortality was $3.0 million unfavorable to plan in the quarter. These items were partially offset by higher investment income and lower operating expenses due to lower sales.

Sales were $28.3 million for the quarter compared to $47.3 million in the first quarter of 2013. First quarter 2013 sales were higher than normal due to a backlog of applications spurred by regulatory changes that were in the process of being worked through the administrative process.

Acquisitions

Acquisitions segment pre-tax operating income was $61.0 million in the first quarter of 2014 compared to $34.4 million in the same quarter last year. The increase was primarily due to the impact of the MONY acquisition which added $25.7 million of operating income for the first quarter of 2014, which included $3.4 million of integration expenses.

Annuities

Annuities segment pre-tax operating income was $51.6 million in the first quarter of 2014 compared to $43.4 million in the first quarter of 2013.

Fixed annuity operating income was $19.7 million, compared to $17.5 million in the prior year. This increase was primarily due to an increase in spreads of $4.6 million partially offset by a $1.6 million unfavorable change in the single premium immediate annuity mortality variance and an increase in non-deferred expenses.

Variable annuity ("VA") operating income was $33.1 million, compared to $25.9 million in the first quarter of 2013. The increase included a $12.3 million increase in revenue driven by higher policy fees and other income associated with the growth in account balances. Offsetting this was a $4.5 million increase in DAC amortization compared to the first quarter of 2013. The combined fixed and variable annuity results were offset by $1.2 million of expenses not allocated to the individual product lines.

Net cash flows for the segment remained positive during the quarter. Annuity account balances were $20.3 billion as of March 31, 2014, an increase of 10% over the past twelve months. Sales in the first quarter of 2014 were $416.4 million compared to $695.1 million in the first quarter of 2013. VA sales were $180.2 million compared to $579.7 million in the first quarter of 2013. Fixed annuity sales were $236.2 million compared to $115.4 million in the prior year's first quarter.

Stable Value Products

Stable Value Products segment pre-tax operating income was $17.4 million in the first quarter of 2014 compared to $17.8 million in the first quarter of 2013. The decrease in operating earnings resulted from lower participating mortgage income. Participating mortgage income for the three months ended March 31, 2014 was $0.5 million compared to $1.7 million for the three months ended March 31, 2013. This decrease was partially offset by higher average account balances and a 7 basis point increase in the adjusted operating spread, which excludes participating income, for the three months ended March 31, 2014 over the prior year.

Account balances as of March 31, 2014 totaled $2.5 billion. Sales were $25.9 million for the three months ended March 31, 2014, compared to $112.0 million in the first quarter of 2013.

Asset Protection

Asset Protection segment pre-tax operating income was $6.4 million in the first quarter of 2014 compared to $6.1 million in the first quarter of 2013. The increase resulted from a $0.7 million increase in service contract earnings primarily due to lower losses, partially offset by a $0.4 million decrease in guaranteed asset protection ("GAP") earnings due to higher loss ratios.

Sales were $105.5 million for the three months ended March 31, 2014, compared to $104.1 million in the first quarter of 2013. Service contract sales were $81.9 million compared to $82.0 million in the first quarter of 2013. Credit insurance sales were $6.8 million compared to $7.3 million in the first quarter of 2013. Sales of the GAP product were $16.7 million compared to $14.8 million in the prior year's first quarter.

Corporate & Other

Corporate & Other segment pre-tax operating loss was $14.9 million in the first quarter of 2014 compared to an operating loss of $18.3 million in the first quarter of 2013. The increase was primarily due to $4.5 million of guaranty fund assessments recorded in the first quarter of 2013 and favorable fluctuations in legal expenses as compared to the prior year's first quarter. These increases were partially offset by a $1.3 million unfavorable variance related to gains on the repurchase of non-recourse funding obligations. No gains were generated in the current quarter compared to $1.3 million in the first quarter of 2013. In addition, the segment experienced lower core investment income as compared to the three months ended March 31, 2013.

Share Repurchase Program

During the first quarter of 2014, the Company did not repurchase any of its common stock. The Company has $170 million of remaining capacity under its existing share repurchase program, which extends through December 31, 2014.

Future repurchase activity will depend on many factors, including capital levels, liquidity needs, rating agency expectations, and the relative attractiveness of alternative uses for capital.

Investments

- The net unrealized gain position on investments was $1.0 billion, after tax and DAC offsets, a decline of $0.7 billion compared to March 31, 2013.
- Total cash and investments were $45.5 billion as of March 31, 2014. This includes $0.6 billion of cash and short-term investments.
- During the first quarter of 2014, the Company had $1.6 million of pre-tax other-than-temporary impairment losses recognized in earnings.
- Nonperforming mortgage loans equaled $8.4 million as of March 31, 2014, representing 0.2% of the commercial mortgage loan portfolio.

Net Realized Investment/Derivative Activity ($ per average diluted share)	**1Q14**	**1Q13**
Net realized gain on securities	$ 0.06	$ 0.10
Modco net realized gain	0.05	0.01
Impairments	(0.01)	(0.04)
Derivatives related to VA contracts	(0.20)	0.01
Mortgage/real estate losses	(0.01)	(0.01)
All other	(0.05)	0.01
Total	**$ (0.16)**	**$ 0.08**

Operating income differs from the GAAP measure, net income, in that it excludes realized gains (losses) on investments and derivatives and related amortization. The tables below reconcile operating income to net income:

First Quarter Consolidated Results

($ in thousands; net of income tax)	1Q14	1Q13
After-tax operating income	$ 96,528	$ 71,432
Realized investment gains (losses) and related amortization		
Investments	44,547	(6,341)
Derivatives	(57,436)	13,200
Net income	**$ 83,639**	**$ 78,291**

($ per average diluted share; net of income tax)	1Q14	1Q13
After-tax operating income	$ 1.19	$ 0.89
Realized investment gains (losses) and related amortization		
Investments	0.55	(0.08)
Derivatives	(0.71)	0.16
Net income	**$ 1.03**	**$ 0.97**

For information relating to non-GAAP measures (operating income and shareowners' equity per share excluding other comprehensive income (loss)) in this press release, please refer to the disclosure at the end of this press release and to the Company's Supplemental Financial Information located on the Company's website at www.protective.com. All per share results in this press release are presented on a diluted basis, unless otherwise noted.

Reconciliation of Shareowners' Equity, Excluding Accumulated Other Comprehensive Income

($ in millions)	March 31, 2014	December 31, 2013
Shareowners' equity	$ 4,265	$ 3,715
Less: Accumulated other comprehensive income	977	494
Shareowners' equity, excluding accumulated other comprehensive income	**$ 3,288**	**$ 3,221**

Reconciliation of Shareowners' Equity per share, Excluding Accumulated Other Comprehensive Income per share

($ per common share outstanding)	March 31, 2014	December 31, 2013
Shareowners' equity	$ 54.09	$ 47.28
Less: Accumulated other comprehensive income	12.38	6.29
Shareowners' equity excluding accumulated other comprehensive income	**$ 41.71**	**$ 40.99**

Conference Call

There will be a conference call for management to discuss the quarterly results with analysts and professional investors on Thursday, May 8, 2014 at 10:00 a.m. Eastern. Analysts and professional investors may access this call by dialing 1-866-318-8612 (international callers 1-617-399-5131) and entering the conference passcode: 85245779. A recording of the call will be available from 2:00 p.m. Eastern May 8, 2014 until midnight May 22, 2014. The recording may be accessed by calling 1-888-286-8010 (international callers 1-617-801-6888) and entering the passcode: 17253565.

The public may access a live webcast of the call, including the call presentation, in the Investor Relations section of the Company's website at www.protective.com.

Supplemental financial information is available on the Company’s website at www.protective.com in the Investor Relations section.

Information Relating to Non-GAAP Measures

Throughout this press release, GAAP refers to accounting principles generally accepted in the United States of America. Segment operating income (loss) is income before income tax, excluding realized gains and losses on investments and derivatives net of the amortization related to deferred acquisition costs (“DAC”), value of business acquired (“VOBA”), and benefits and settlement expenses. Operating earnings exclude changes in the guaranteed minimum withdrawal benefits (“GMWB”) embedded derivatives (excluding the portion attributed to economic cost), realized and unrealized gains (losses) on derivatives used to hedge the VA product, actual GMWB incurred claims and net of the related amortization of DAC attributed to each of these items.

Management believes that consolidated and segment operating income (loss) provides relevant and useful information to investors, as it represents the basis on which the performance of the Company’s business is internally assessed. Although the items excluded from consolidated and segment operating income (loss) may be significant components in understanding and assessing the Company’s overall financial performance, management believes that consolidated and segment operating income (loss) enhances an investor’s understanding of the Company’s results of operations by highlighting the income (loss) attributable to the normal, recurring operations of the Company’s business. As prescribed by GAAP, certain investments are recorded at their fair values with the resulting unrealized gains (losses) affected by a related adjustment to DAC and VOBA, net of income tax, reported as a component of total shareowners’ equity. The fair *value of fixed maturities generally increase or decrease as interest rates change. The Company believes that an insurance company's shareowners' equity per share may be difficult to analyze without disclosing the effects of recording accumulated other comprehensive income (loss), including unrealized gains (losses) on investments.*

Unlocking

The Company periodically reviews and updates as appropriate key assumptions on products using the Accounting Standards Codification ("ASC") Financial Services-Insurance Topic, including future mortality, expenses, lapses, premium persistency, benefit utilization, investment yields, interest spreads, and equity market returns. Changes to these assumptions result in adjustments which increase or decrease DAC amortization and/or benefits and expenses. The periodic review and updating of assumptions is referred to as "unlocking". When referring to DAC amortization or unlocking on products covered under the ASC Financial Services-Insurance Topic, the reference is to changes in all balance sheet components amortized over estimated gross profits.

Forward-Looking Statements

This release includes "forward-looking statements" which express expectations of future events and/or results. All statements based on future expectations rather than on historical facts are forward-looking statements that involve a number of risks and uncertainties, and the Company cannot give assurance that such statements will prove to be correct. The factors which could affect the Company's future results include, but are not limited to, general economic conditions and the following known risks and uncertainties: (1) the Company is exposed to the risks of natural and man-made disasters and catastrophes, pandemics, malicious acts, terrorist acts, and climate change, which could adversely affect its operations and results; (2) a disruption affecting the electronic systems of the Company or those on whom the Company relies could adversely affect the Company's business, financial condition and results of operations; (3) confidential information maintained in the Company's systems could be compromised or misappropriated, damaging the Company's business and reputation and adversely affecting its financial condition and results of operations; (4) the Company's results and financial condition may be negatively affected should actual experience differ from management's assumptions and estimates; (5) the Company may not realize its anticipated financial results from its acquisitions strategy; (6) the Company may not be able to achieve the expected results from its recent acquisition; (7) assets allocated to the MONY Closed Block benefit only the holders of certain policies and adverse performance of the Closed Block assets or adverse experience of Closed Block liabilities may negatively affect the Company; (8) the Company is dependent upon the performance of others; (9) the Company's risk management policies, practices, and procedures could leave it exposed to unidentified or unanticipated risks, which could negatively affect its business or result in losses; (10) the Company's strategies for mitigating risks arising from its day-to-day operations may prove ineffective resulting in a material adverse effect on its results of operations and financial condition; (11) interest rate fluctuations and sustained periods of low interest rates could negatively affect its interest earnings and spread income, or otherwise impact its business; (12) the Company's investments are subject to market and credit risks and these risks could be heightened during periods of extreme volatility or disruption in financial and credit markets; (13) equity market volatility could negatively impact the Company's business; (14) the Company's use of derivative financial instruments within its risk management strategy may not be effective or sufficient; (15) credit market volatility or disruption could adversely impact the Company's financial condition or results from operations; (16) the Company's ability to grow depends in large part upon the continued availability of capital; (17) the Company may be adversely affected by a ratings downgrade or other negative action by a ratings organization; (18) the Company could be forced to sell investments at a loss to cover policyholder withdrawals; (19) disruption of the capital and credit markets could negatively affect the Company's ability to meet its liquidity and financing needs; (20) difficult general economic conditions could materially adversely affect the Company's business and results of operations; (21) the Company may be required to establish a valuation allowance against its deferred tax assets, which could materially adversely affect its results of operations, financial condition, and capital position; (22) the Company could be adversely affected by an inability to access its credit facility; (23) the Company could be adversely affected by an inability to access FHLB lending; (24) the Company's financial condition or results of operations could be adversely impacted if its assumptions regarding the fair value and future performance of its investments differ from actual experience; (25) the amount of statutory capital the Company has and must hold to maintain its financial strength and credit ratings and meet other requirements can vary significantly and is sensitive to a number of factors outside its control; (26) the Company operates as a holding company and depends on the ability of its subsidiaries to transfer funds to it to meet its obligations and pay dividends; (27) the Company is highly regulated and subject to routine audits, examinations and actions by regulators, law enforcement agencies and self-regulatory agencies; (28) changes to tax law or interpretations of existing tax law could adversely affect the Company and its ability to compete with non-insurance products or reduce the demand for certain insurance products; (29) the Company, like other financial services companies, in the ordinary course of business, is frequently the targets of legal proceedings, including class action litigation, which could result in substantial judgments; (30) the Company, as a publicly held company generally, and a participant in the financial services industry in particular, may be the target of law enforcement investigations and the focus of increased regulatory scrutiny; (31) new accounting rules or changes to existing accounting rules, or the grant of permitted accounting practices to competitors could negatively impact the Company; (32) the Company's use of reinsurance introduces variability in its statements of income; (33) the Company's reinsurers could fail to meet assumed obligations, increase rates, terminate agreements or otherwise be subject to adverse developments that could affect the Company; (34) the policy claims of the Company's insurance subsidiaries may fluctuate from period to period resulting in earnings volatility; (35) the Company operates in a mature, highly competitive industry, which could limit its ability to gain or maintain its position in the industry and negatively affect profitability; (36) the Company's ability to maintain competitive unit costs is dependent upon the level of new sales and persistency of existing business; and (37) the Company may not be able to protect its intellectual property and may be subject to infringement claims. Please refer to Risk Factors and Cautionary Factors that may Affect Future Results, which can be found in Part I, Item 1A of the Company's most recent report on Form 10-K for more information about these factors.

Contacts:

Richard J. Bielen
Vice Chairman and Chief Financial Officer
(205) 268-3617

Eva T. Robertson
Vice President, Investor Relations
(205) 268-3912