



Protective Life Corporation

4Q13 Earnings Results

Conference Call Presentation

February 12, 2014

Introduction

In addition to the information contained in this presentation, we have certain supplemental financial information available on our website www.protective.com. Also, this presentation and the accompanying conference call discussions include forward-looking statements which express expectations of future events and/or results. Actual events and results may differ materially from these expectations.

Please refer to our press release and Risk Factors and Cautionary Factors that may Affect Future Results, found in Part I, Item 1A of the Company's most recent report on Form 10-K and Part II, Item 1A of the Company's subsequent reports on Form 10-Q for more information about these factors.

Certain information may also contain non-GAAP financial measures. For information relating to non-GAAP measures (operating income, shareowners' equity per share excluding other comprehensive income (loss), operating return on average equity, and net income (loss) return on average equity) in this presentation, please refer to the Information About Non-GAAP Financial Measures available on the earnings page of the Investor Relations section of our website www.protective.com. All per share results used throughout this presentation are presented on a diluted basis, unless otherwise noted. Please see our website for additional information and reconciliation to GAAP financial measures.

This presentation and accompanying webcast are not intended as, and should not be construed as, earnings guidance. This presentation is dated February 12, 2014. We assume no obligation to, and do not intend to update the information contained herein after such date.

4Q13 and 2013 Financial Highlights

- 4Q13 operating earnings up 46% to \$1.43 per share
- 4Q13 net income up 79% to \$1.47 per share
- Record 2013 operating earnings of \$4.26 per share, or \$345 million
- Record 2013 net income of \$4.86 per share, or \$393 million
- 2013 operating ROE of 11.3%
- Estimated RBC of 440% - 450%
- Closed MONY acquisition

Earnings Per Share Review – Consolidated Results

(\$ per diluted share)

	<u>4Q13</u>	<u>2013</u>
Operating Income	\$ 1.43	\$ 4.26
Realized investment gains (losses) and related amortization		
Investments	(0.06)	(1.39)
Derivatives	0.10	1.99
Net realized investment gains	<u>0.04</u>	<u>0.60</u>
Net Income available to PLC's common shareowners	<u><u>\$ 1.47</u></u>	<u><u>\$ 4.86</u></u>

(\$ in millions; net of income tax)

After-tax Operating Income	\$ 115.9	\$ 344.6
Realized investment gains (losses) and related amortization		
Investments	(4.8)	(112.2)
Derivatives	7.8	161.1
Net realized investment gains	<u>3.0</u>	<u>48.9</u>
Net Income available to PLC's common shareowners	<u><u>\$ 118.9</u></u>	<u><u>\$ 393.5</u></u>

Net Realized Investment/Derivative Gain/Loss

	Per Share	
	4Q13	2013
Net realized gain on securities	\$ 0.18	\$ 0.53
Modco net realized gain	0.02	0.20
Impairments	(0.04)	(0.18)
Derivatives related to VA contracts	(0.03)	0.22
Mortgage/real estate losses	(0.02)	(0.10)
Other	(0.07)	(0.07)
Net realized investment/derivative gain/(loss)	\$ 0.04	\$ 0.60

Reconciliation of PLC's Shareowners' Equity Per Share

(\$ per common share outstanding)	Dec 31, 2013	Dec 31, 2012
Total PLC's shareowners' equity	\$ 47.28	\$ 59.06
Less: Accumulated other comprehensive income	6.29	22.22
Total PLC's shareowners' equity excluding accumulated other comprehensive income	\$ 40.99	\$ 36.84

Unrealized Gains (Losses) on Investments

(\$ in millions)	Dec 31, 2013	Dec 31, 2012
Gross unrealized gains	\$ 1,729	\$ 3,250
Gross unrealized (losses)	(605)	(141)
Net unrealized gains before tax & DAC	\$ 1,124	\$ 3,109

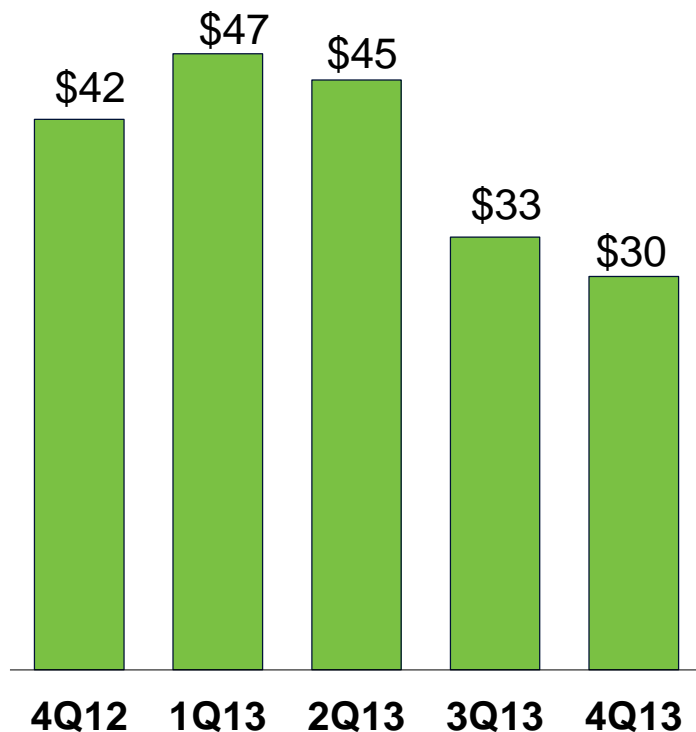
Life Marketing

Highlights

- 4Q13 favorable mortality of \$7.0 million
 - Traditional mortality 89% of expected
- Impact of lower spread and other items of \$(5.8) million vs. plan

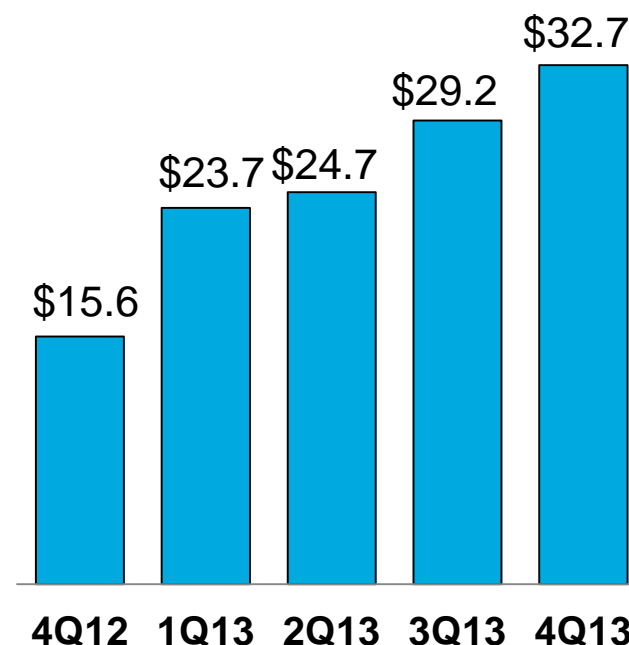
Sales

\$ in millions



Pre-tax Operating Earnings

\$ in millions



Annuities

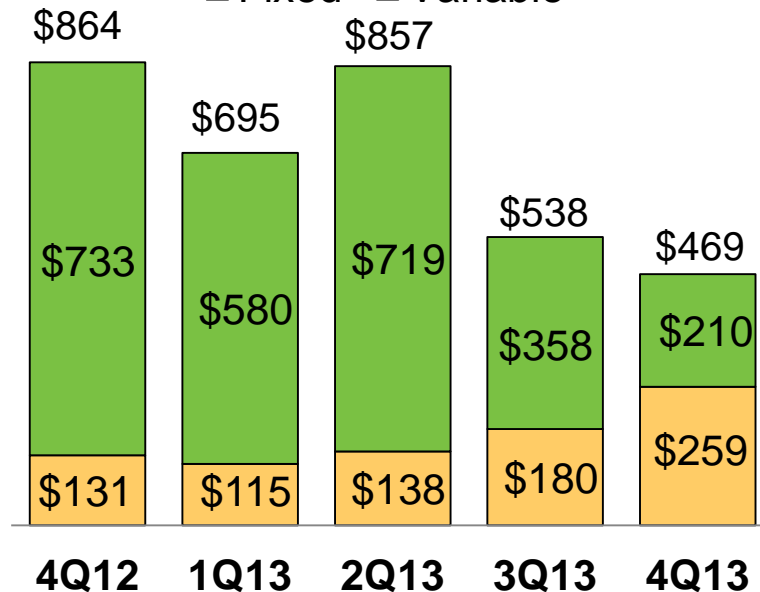
Highlights

- Record earnings in 4Q13
- Strong VA fee income
- Favorable unlocking of \$5.3 million
- Account balance up 16% from 4Q12
- Unfavorable SPIA mortality of \$(2.2) million vs. plan

Sales

\$ in millions

Fixed Variable

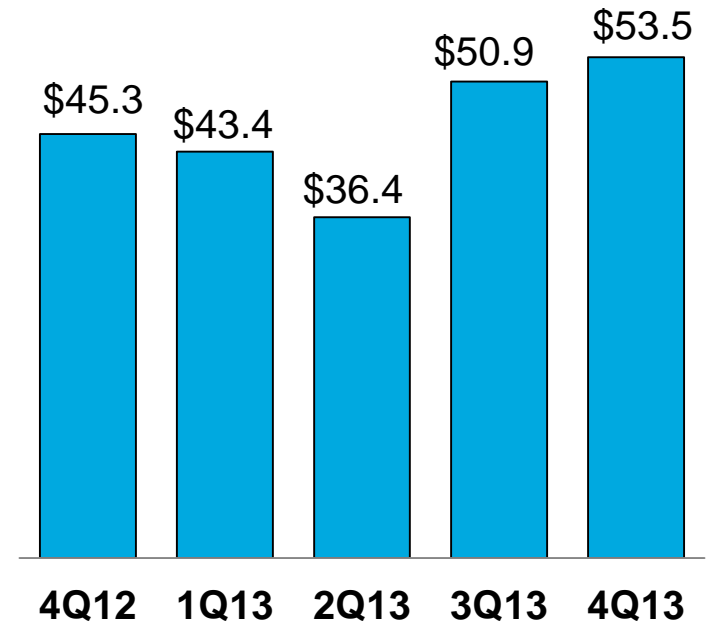


Account Balance
\$ in billions

Quarter	4Q12	1Q13	2Q13	3Q13	4Q13
Account Balance (\$ in billions)	\$17.5	\$18.4	\$18.9	\$19.6	\$20.3

Pre-tax Operating Earnings

\$ in millions

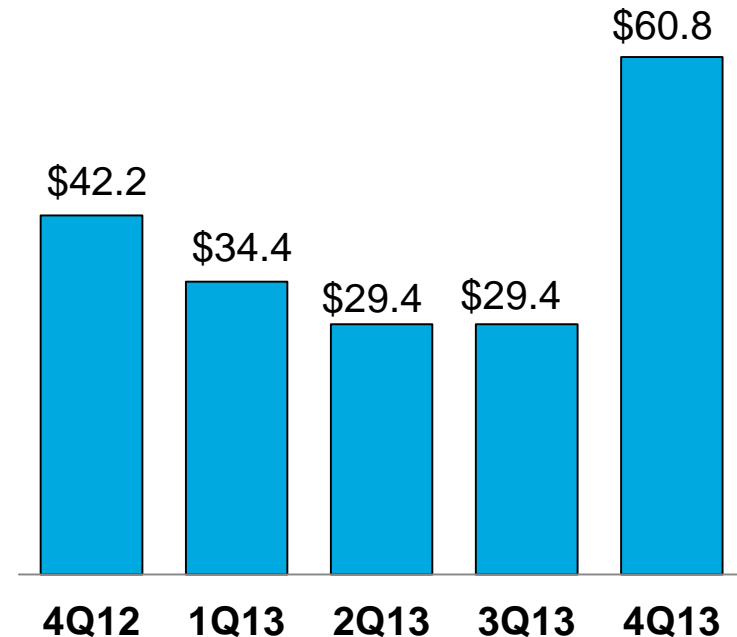


Acquisitions Highlights

- **MONEY impact above projection**
 - **\$25.2 million of operating earnings**
 - **Approximately \$1.5 million of positive expense variance is timing difference**
- **Favorable mortality of \$4.3 million (excludes MONEY)**

Pre-tax Operating Earnings

\$ in millions



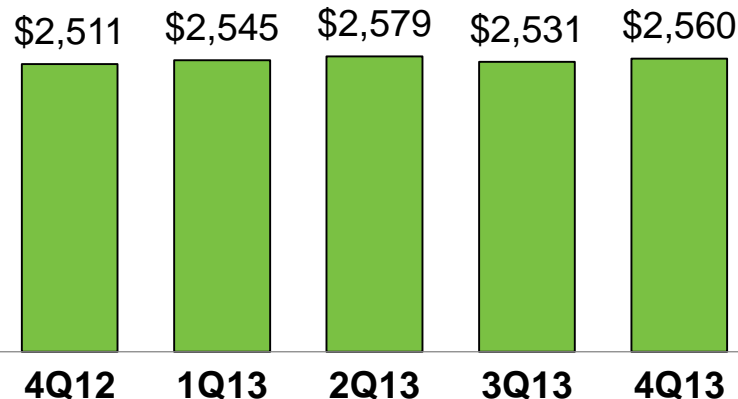
Stable Value Products

Highlights

- Continued strong spreads
- Sales of \$97 million
- Participating income of \$2.6 million

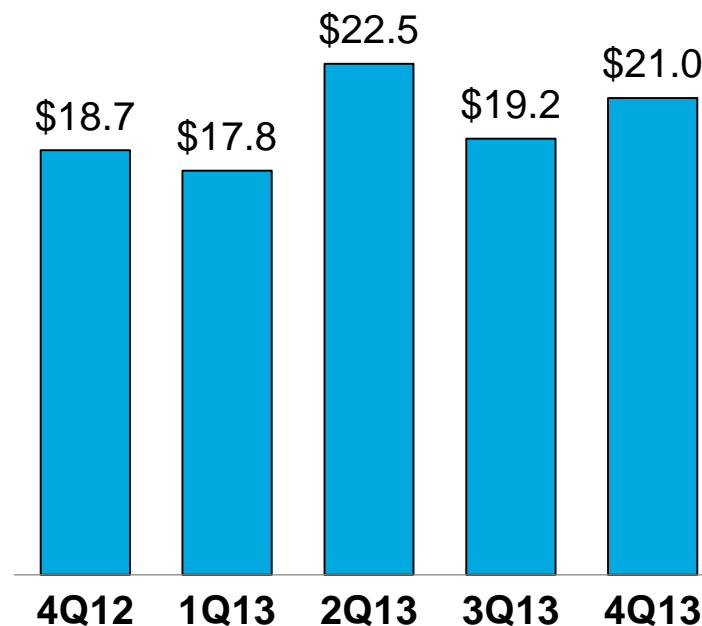
Account Balances

\$ in millions



Pre-tax Operating Earnings

\$ in millions



Spread 3.06% 2.81% 3.53% 3.07% 3.29%

Adjusted Spread* 2.60% 2.55% 2.67% 2.69% 2.77%

*Excludes participating mortgage loan income and other income

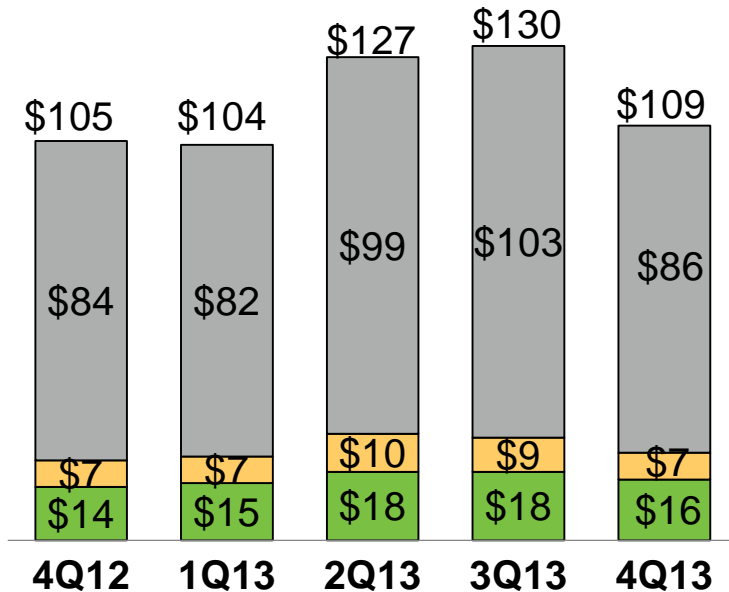
Asset Protection Division

- Highlights**
- Favorable impact of lower expenses
 - Earnings in line with expectations

Sales

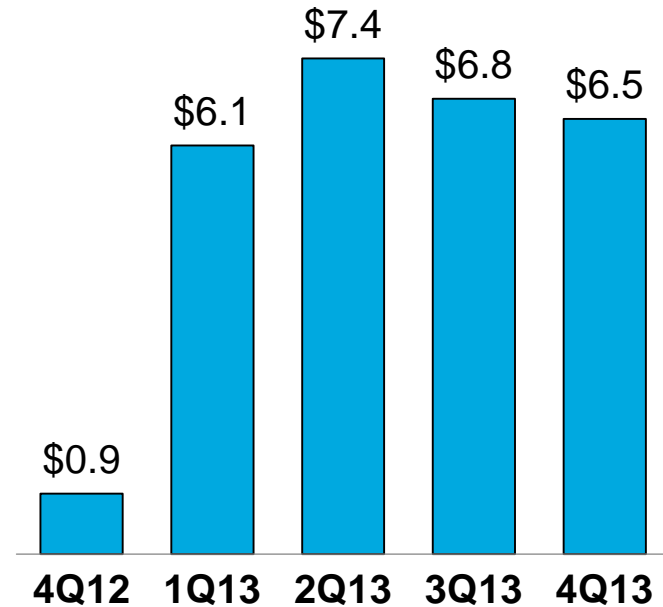
\$ in millions

■ GAP ■ Credit ■ Service Contracts



Pre-tax Operating Earnings

\$ in millions



Other 4Q13 Highlights

- Notes gain of \$16.7 million or \$0.13 per share
- Lower tax rate of 31.5%
 - Improved operating EPS \$0.05
- Good mortgage loan portfolio performance
 - Delinquent/foreclosed loans only 0.2% of portfolio

We are Keenly Focused on Delivering on our Financial Plans

In 2013 we delivered:

- Double digit earnings growth
 - Operating EPS up 13%
- Operating ROE improvement
 - Up to 11.3% in 2013 from 9.2% in 2010
- An accretive acquisition transaction
 - Closed MONY on schedule in October
- Strong capital generation
 - Estimated total adjusted capital of \$3.2 - \$3.3 billion
- Solid performance in our retail business lines

Outlook for 2014

- We expect another strong year in 2014
- Our plans call for:
 - Double-digit growth in EPS
 - Continued improvement in ROE
 - Continued strong capital generation
 - Solid earnings growth in our retail business lines

Forward Looking Statements

This presentation 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) we are exposed to the risks of natural and man-made catastrophes, pandemics, malicious acts, terrorist acts, and climate change; (2) a disruption affecting the electronic systems of the Company or those on whom the Company relies could adversely affect our 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) our results may be negatively affected should actual experience differ from management’s assumptions and estimates, which by their nature are imprecise and subject to changes and revisions over time; (5) we may not realize our anticipated financial results from our acquisition 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 us; (8) we are dependent upon the performance of others; (9) our risk management policies, practices, and procedures could leave us exposed to unidentified or unanticipated risks; (10) our strategies for mitigating risks arising from our day-to-day operations may prove ineffective; (11) interest rate fluctuations and sustained periods of low interest rates could negatively affect our interest earnings and spread income, or otherwise impact our business; (12) our 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 our business; (14) our use of derivative financial instruments within our risk management strategy may not be effective or sufficient; (15) credit market volatility or disruption could adversely impact us; (16) our ability to grow depends in large part upon the continued availability of capital; (17) we may be adversely affected by a ratings downgrade or other negative action by a ratings organization; (18) we 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 our business and results of operations; (21) we may be required to establish a valuation allowance against our deferred tax assets; (22) we could be adversely affected by an inability to access our credit facility; (23) the Company could be adversely affected by an inability to access FHLB lending; (24) our financial condition and results of operations could be adversely affected if our assumptions regarding the fair value and future performance of our investments differ from actual experience; (25) the amount of statutory capital we have and must hold to maintain our financial strength and credit ratings and meet other requirements can vary significantly and is sensitive to a number of factors beyond our control; (26) we operate as a holding company and depend on the ability of our subsidiaries to transfer funds to us to meet our obligations and pay dividends; (27) we are highly regulated and subject to routine audits, examinations and actions by regulators, law enforcement agencies and self-regulatory agencies; (28) changes in tax law or interpretations of existing tax law could adversely affect us; (29) we, like other financial services companies, in the ordinary course of business, are frequently the targets of litigation, including class action litigation, which could result in substantial judgments; (30) we, 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 could impact our reported earnings; (32) our use of reinsurance introduces variability in our statements of income; (33) our reinsurers could fail to meet assumed obligations, increase rates, or otherwise be subject to adverse developments; (34) the policy claims of our insurance subsidiaries may fluctuate from period to period resulting in earnings volatility; (35) we operate in a mature, highly competitive industry, which could limit our ability to gain or maintain our position in the industry and negatively affect profitability; (36) our ability to maintain competitive unit costs is dependent upon the level of new sales and persistency of existing business; and (37) we may not be able to protect our 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 and Part II, Item 1A of the Company’s most recent report on Form 10-Q for more information about these factors.



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