

FOURTH QUARTER 2021

January 26, 2022



FORWARD LOOKING STATEMENTS

Information in this presentation may contain “forward-looking statements” within the Private Securities Litigation Reform Act of 1995. These statements generally relate to our financial condition, results of operations, plans, objectives, future performance or business and usually can be identified by the use of forward-looking terminology such as “may,” “will,” “would,” “should,” “could,” “expect,” “anticipate,” “estimate,” “believe,” “plan,” “intend,” “project,” “goals,” “outlook,” or “continue,” or the negative thereof or other variations thereof or comparable terminology. These statements represent our judgment concerning the future and are subject to business, economic and other risks and uncertainties, both known and unknown. These statements are based on current expectations, estimates and projections about our business, management’s beliefs and assumptions made by management. These statements are not guarantees of our future performance and involve certain risks and uncertainties, which are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in the forward-looking statements. Please see the Appendix for more information about these risks, uncertainties and assumptions.

Given these risks, uncertainties and other factors, you should not place undue reliance on these forward-looking statements. Moreover, these forward-looking statements speak only as of the date they are made and based only on information actually known to us at the time. We undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Except as otherwise disclosed, forward-looking statements do not reflect: (i) the effect of any acquisitions, divestitures or similar transactions that have not been previously disclosed; (ii) any changes in laws, regulations or regulatory interpretations; or (iii) any change in current dividend or repurchase strategies, in each case after the date as of which such statements are made.

Non-GAAP Measures

This document presents non-GAAP financial measures. The adjustments to reconcile from the non-GAAP financial measures to the applicable GAAP financial measure are included where applicable in financial results presented in accordance with GAAP. Tabular presentation of this reconciliation is included in the Appendix to this document. We consider these adjustments to be relevant to ongoing operating results. We believe that excluding the amounts associated with these adjustments to present the non-GAAP financial measures provides a meaningful base for period-to-period comparisons, which will assist regulators, investors, and analysts in analyzing our operating results or financial position. The non-GAAP financial measures are used by management to assess the performance of our business for presentations of our performance to investors, and for other reasons as may be requested by investors and analysts. We further believe that presenting the non-GAAP financial measures will permit investors and analysts to assess our performance on the same basis as that applied by management. Non-GAAP financial measures have inherent limitations, are not required to be uniformly applied, and are not audited. Although non-GAAP financial measures are frequently used by shareholders to evaluate a company, they have limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of results reported under GAAP.

Numbers may not foot due to rounding in this presentation.

LIVE OAK BANCSHARES Q4 GAAP RESULTS

Live Oak Bancshares, Inc.

(\$ in millions, except per share data)

	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2020	FY 2021
a Net Interest Income	\$ 40	\$ 41	\$ 51	\$ 62	\$ 70	\$ 71	\$ 78	\$ 78	\$ 195	\$ 297
Provision for (Recovery of) Loan and Lease Credit Losses	12	10	10	9	(1)	8	4	4	41	15
b Total Noninterest Income	6	22	47	11	31	70	25	34	86	160
a + b Total Revenue	46	63	98	73	101	142	103	111	281	457
Total Noninterest Expense	49	48	43	52	58	58	55	60	193	231
Income before Taxes	(15)	5	45	12	44	76	43	48	47	211
Net (Loss) Income	(8)	4	34	30	39	64	34	30	60	167
Diluted (Loss) Earnings per Share	\$ (0.19)	\$ 0.09	\$ 0.81	\$ 0.68	\$ 0.88	\$ 1.41	\$ 0.76	\$ 0.66	\$ 1.43	\$ 3.71
Total Assets	\$ 5,274	\$ 8,209	\$ 8,093	\$ 7,872	\$ 8,418	\$ 8,243	\$ 8,137	\$ 8,213		
Total HFS and HFI Loans and Leases	3,813	5,627	6,227	6,320	6,533	6,506	6,461	6,638		
Allowance for Credit Losses on Loans and Leases	(36)	(44)	(44)	(52)	(52)	(58)	(60)	(64)		
All Other Assets	1,496	2,627	1,910	1,604	1,937	1,795	1,736	1,639		
Total Liabilities	4,740	7,661	7,509	7,304	7,828	7,586	7,448	7,498		
Total Deposits	4,639	5,873	5,706	5,713	6,316	6,521	6,817	7,112		
Borrowings	50	1,721	1,747	1,542	1,466	1,012	575	318		
Other Liabilities	50	66	56	50	46	53	56	68		
Total Shareholders' Equity	534	548	584	568	590	657	689	715		
Net Interest Margin	3.55%	2.56%	2.77%	3.33%	3.81%	3.63%	3.99%	4.02%	3.03%	3.86%
Effective Tax Rate	50.6%	28.1%	25.7%	(145.8)%	9.6%	16.5%	21.7%	36.9%	(25.6)%	20.8%

AGENDA

1. Chairman & CEO Remarks
2. 2021 & Q4 Highlights
3. Verticality – Our differentiated small business lending model
4. Scalability – Building the moat
5. Optionality – Value creation through industry disruption
6. Q&A

LIVE OAK 2021 HIGHLIGHTS

Our Path to Becoming America's Small Business Bank

\$3.71 FY 2021 Diluted EPS	75% Adjusted PPNR ¹ Growth YoY	\$3.9B 46% Loan Production ² and Growth YoY	32% Loan Growth ² YoY	23% Tangible Book Value Growth YoY
VERTICALITY	SCALABILITY	OPTIONALITY		
Differentiated lending model dedicated to small businesses	Building the moat	Value creation through industry disruption		
<ul style="list-style-type: none"> Significant loan production² momentum, with broad-based strength across verticals <ul style="list-style-type: none"> 50% SBA 40% Conventional 10% Other \$668 million of guaranteed loans sold <ul style="list-style-type: none"> 43% of loans that became eligible for sale in 2021; 35% of SBA Strong gain on sale premiums Credit quality excellent <ul style="list-style-type: none"> 0.08% NCOs 0.33% Unguaranteed NPLs³ 	<ul style="list-style-type: none"> 164 net new FTEs in 2021; 26% increase <ul style="list-style-type: none"> 82% in lender/lender support and technology Retention remains strong at 91% in 2021 Energy & Infrastructure loans crossed \$1 billion of total originations Business savings deposits crossed \$1 billion Launched checking in Q4 	<ul style="list-style-type: none"> Implied value⁴ of ventures investments increased \$27mm from existing portfolio company growth Realized \$44mm gain on Greenlight investment Added 2 direct investments Canapi Fund I investments performing well; several portfolio companies in use at Live Oak 		
	<ul style="list-style-type: none"> Converted 60,000+ deposit accounts to Finxact in Q3, joining PPP loans already on Finxact platform 	<ul style="list-style-type: none"> Next-gen platform designed to enable product and service innovation for our customers Current and future use cases compelling 		

1.) Adjusted Non-GAAP financial measures. See Appendix for reconciliation of non-GAAP items to reported balances. 2.) Excluding PPP. 3.) Unguaranteed nonperforming loans and leases excluding those accounted for under the fair value option to loans and leases held for investment carried at historical cost. 4.) Estimated implied value based on most recent transaction data and not necessarily indicative of current or future value.

QUARTER HIGHLIGHTS

LIVE OAK Q421 HIGHLIGHTS

Our Path to Becoming America's Small Business Bank

\$0.66

Diluted
EPS

11%

Pre-Tax Income
Growth LQ

8%

Adjusted PPNR¹
Growth LQ

\$1.1B

Loan
Production

7%

Loan
Growth³ LQ

VERTICALITY

Differentiated lending model
dedicated to small businesses

- \$1.1B of production
 - 50% SBA | 46% Conventional | 4% Other
- \$199 million of guaranteed loans sold for \$20 million gain
- Credit metrics healthy

SCALABILITY

Building the moat

- 39 net new FTEs in Q4
- Tidal Business Checking launched
- Loan servicing portal enhancement released
- Embedded banking launch in 2022
- Preparations have begun for conversion of loans to Finxact

OPTIONALITY

Value creation through industry disruption

- Live Oak Ventures investment in Able
- Estimated implied value² vs carrying value differential of fintech investments at \$66 million
- Canapi continues to drive fintech opportunities

1.) Adjusted Non-GAAP financial measures. See Appendix for reconciliation of non-GAAP items to reported balances. 2.) Estimated implied value based on most recent transaction data and not necessarily indicative of current or future value. 3.) Excluding PPP.

Q421 ADJUSTED EARNINGS HIGHLIGHTS

8% Adjusted PPNR¹ Growth LQ Driven by 8% Adjusted Revenue¹ Growth;
75% Adjusted PPNR¹ growth on 37% Revenue¹ Growth 2021 vs. 2020

\$ in millions	Q4 2021	FY 2021	Q4 2021 change vs.		FY 2021 change vs.
			Q3 2021	Q4 2020	FY 2020
Net interest income ¹	\$ 70	\$ 246	7 %	50 %	52 %
Noninterest income ¹	36	123	9 %	24 %	14 %
Total revenue ¹	106	369	8 %	40 %	37 %
Noninterest expense ¹	60	220	8 %	24 %	19 %
PPNR ¹	47	149	8 %	67 %	75 %
Provision for credit losses	4	15	(10)%	(55)%	(63)%
Net income before tax ¹	43	134	10 %	123 %	200 %
	Q4 2021	FY 2021	Change from		FY 2021 change vs.
			Q3 2021	Q4 2020	FY 2020
Net Interest Margin ²	3.83%	3.72%	8 bps	50 bps	50 bps
Efficiency Ratio ¹	56.2%	59.6%	(15) bps	(715) bps	(878) bps

Q421 Adjustments Summary¹

Net Interest Income

- PPP-related impacts

Noninterest Income

- Loan servicing asset revaluation
- Other fair value adjustments
- Noncash net gains from investments in venture funds

- Gains/losses from fintech activities

Noninterest Expense

- No adjustments

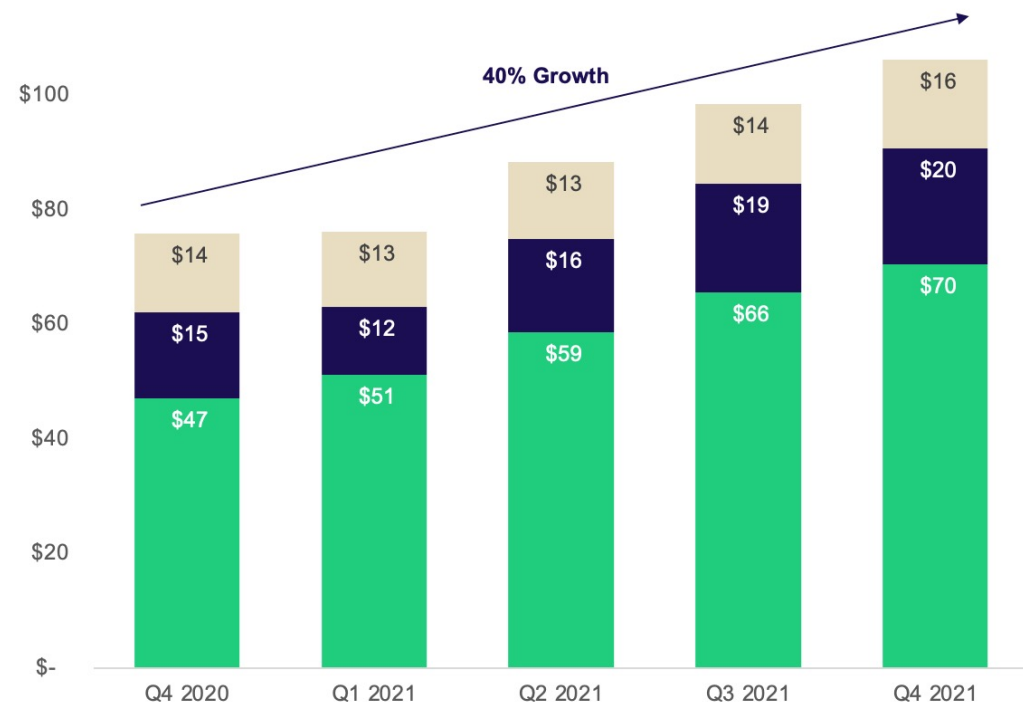
1. Adjusted non-GAAP financial measures. See Appendix for reconciliation of non-GAAP items to reported balances.

2. Estimated adjusted NIM removes PPP/PPPLF impacts and related excess average liquidity.

REVENUE DRIVEN BY STRONG NII GROWTH

\$ in millions

\$120



Adjusted net interest income ¹ Net gains on sales of loans
Adjusted other noninterest income ¹



Adjusted other noninterest income ¹
Net gains on sales of loans
Adjusted net interest income ¹

Adjusted Total Revenue¹

Up 8% linked quarter,
40% year over year

Adjusted Net Interest Income¹

Up 7% linked quarter, 50% year
over year on strong loan growth,
relatively stable loan yields
and meaningful reduction in
deposit rate paid

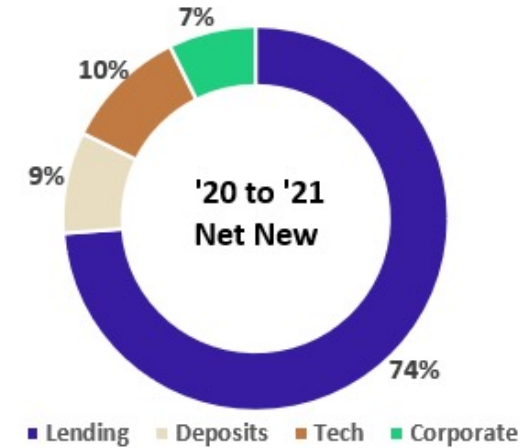
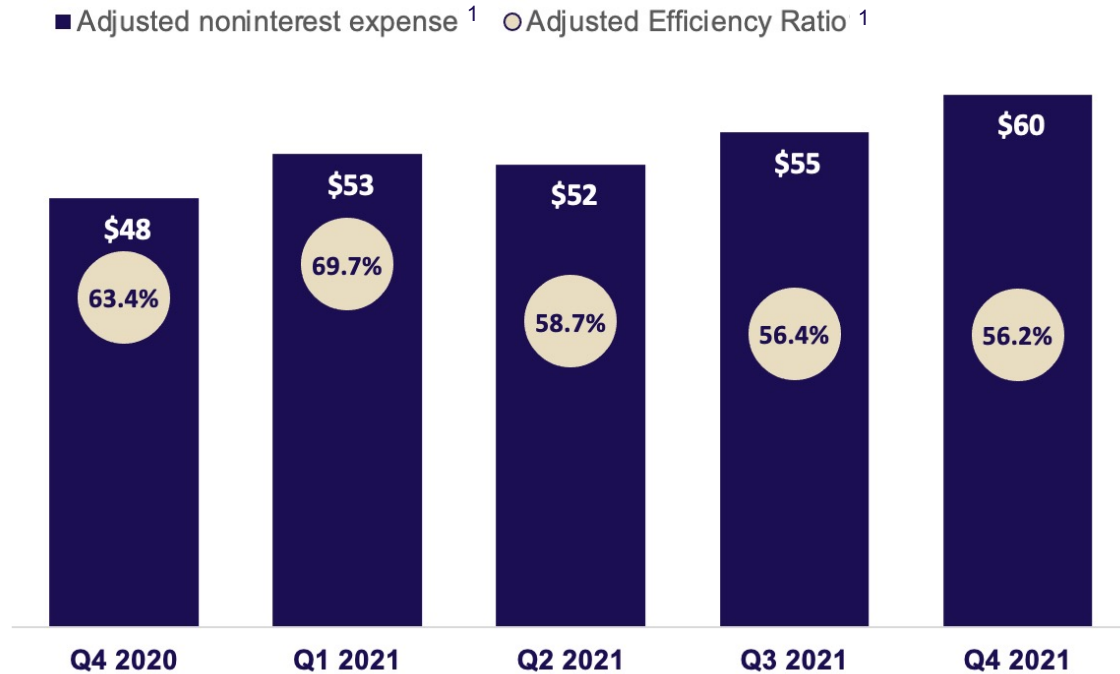
	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Guaranteed Loans Sold (\$ in millions)	\$111	\$137	\$131	\$202	\$199
Average Net Gain on Sale Premium	110%	110%	112%	110%	110%

	FY 2020	FY 2021
	\$543	\$668
	108%	110%

1. Adjusted Non-GAAP financial measures. See Appendix for reconciliation of non-GAAP items to reported balances.

INVESTING IN GROWTH

Continuing to Add People & Technology to Expand Platform



- Positive operating leverage driving continued improvement in efficiency ratio
- Adjusted expenses up 8% LQ, 24% vs Q4 2020
- 39 net new FTEs in Q4 2021, up 164 since Q4 2020
- Salaries & Benefits up 10%, headcount up 26% vs Q4 2020
 - ~74% of new hires were lenders or lender support

1. Adjusted Non-GAAP financial measures. See Appendix for reconciliation of non-GAAP items to reported balances.

BALANCE SHEET STRONG AND GROWING

7% Loan Growth Excluding PPP Linked Quarter

Period End (\$ in millions)	Q4 2021	Q4 2021 change vs.	
		Q3 2021	Q4 2020
Total loans and leases	\$ 6,638	3 %	5 %
Total loan and lease portfolio, excluding PPP ¹	6,376	7 %	32 %
Investment securities	906	5 %	21 %
Total deposits	7,112	4 %	24 %
Borrowings	318	(45)%	(79)%
Total equity	715	4 %	26 %
	Q4 2021	Change from	
		Q3 2021	Q4 2020
ROE	16.8%	(287) bps	(306) bps
ROA	1.5%	(17) bps	(2) bps
TBV per share ¹	\$ 16.31	3 %	23 %
Common equity tier 1 capital	12.4%	(18) bps	23 bps

32%

**Loan Growth YoY
excluding PPP**

23%

**Tangible Book Value
Growth Per Share YoY**

16.8%

**Return on Average
Equity**

1.5%

**Return on Average
Assets**

1. See Appendix for reconciliation of reported balances to non-GAAP items.

LOAN ORIGINATIONS¹

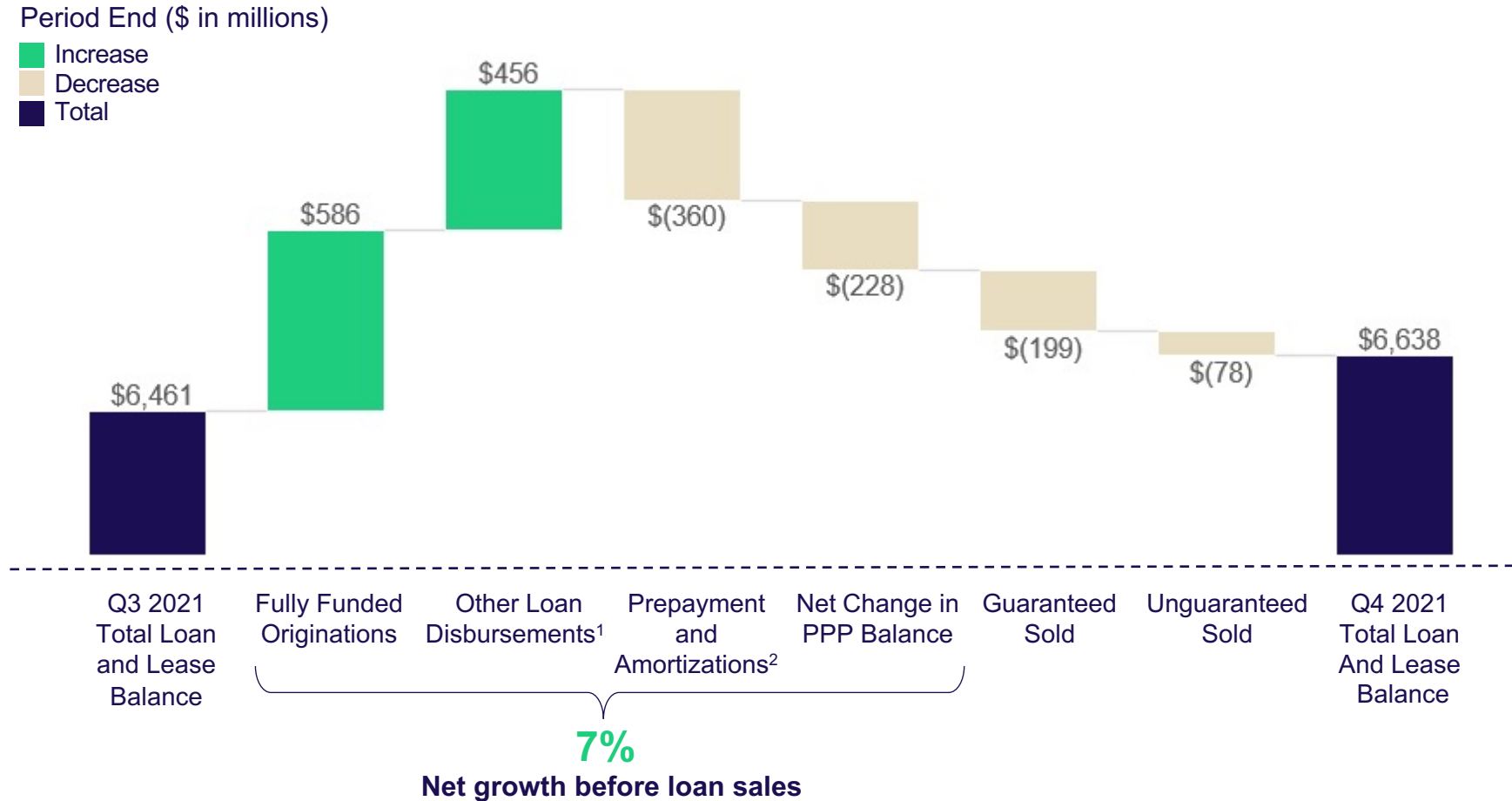
Greater than One Billion in Lending Production for 3rd Consecutive Quarter



1. Loan & Lease Originations, excluding PPP (in millions of dollars).

STRONG PRODUCTION LEADING TO NET ASSET GROWTH

7% Loan Growth LQ, Excluding PPP; 7% Total Net Growth LQ Before Loan Sales



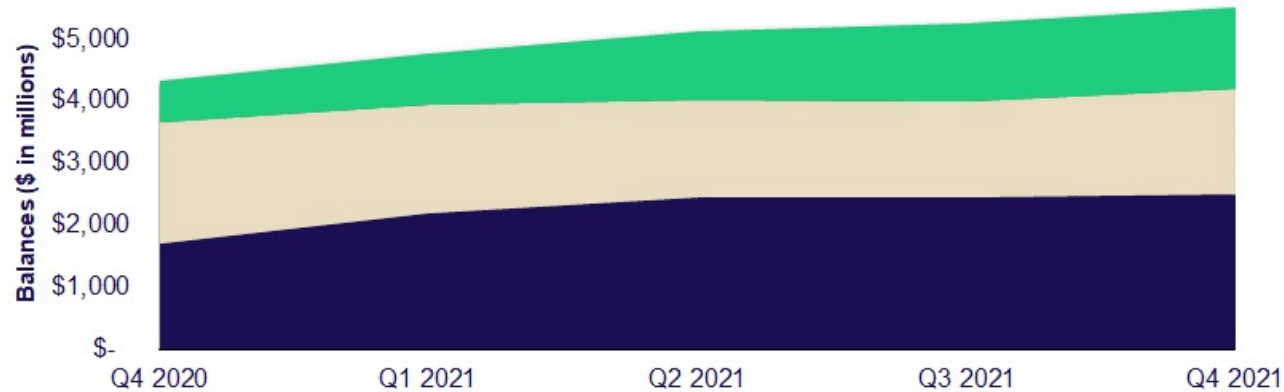
1. Other Loan Disbursements includes disbursements on construction loans and revolving loans
2. Prepayment and Amortizations also includes charge-offs and change in deferred loan fees and cost

EFFICIENT DEPOSIT FUNDING PLATFORM

Low Delivery Costs, Healthy Retention & Continued Growth

Total Deposits¹ Growth

■ Retail Savings ■ Retail CDs ■ Business Savings and CDs



\$1.3B

Business Savings & CDs
up 89% YOY

\$1.7B

Retail CDs
down 13% YOY

\$2.5B

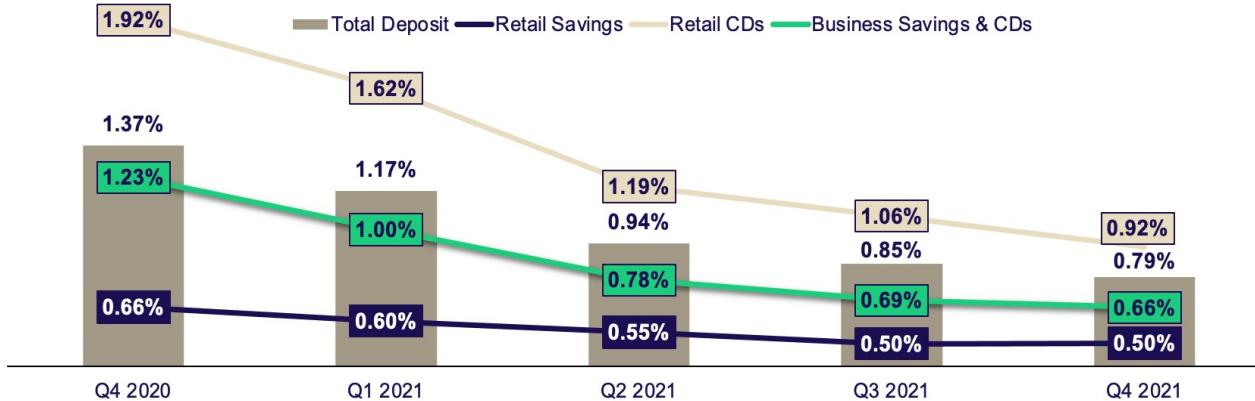
Retail Savings
up 48% YOY

Savings Account Retention Remains Strong

Savings Account Retention		
Open Savings Account As Of	% Still Open as of 12/31/2021	Balance as of 12/31/2021 vs. Stated Year-End
12/31/2018	84.7%	116.1%
12/31/2019	88.7%	119.9%
12/31/2020	90.8%	105.1%

Cost of Funds

■ Total Deposit ■ Retail Savings ■ Retail CDs ■ Business Savings & CDs

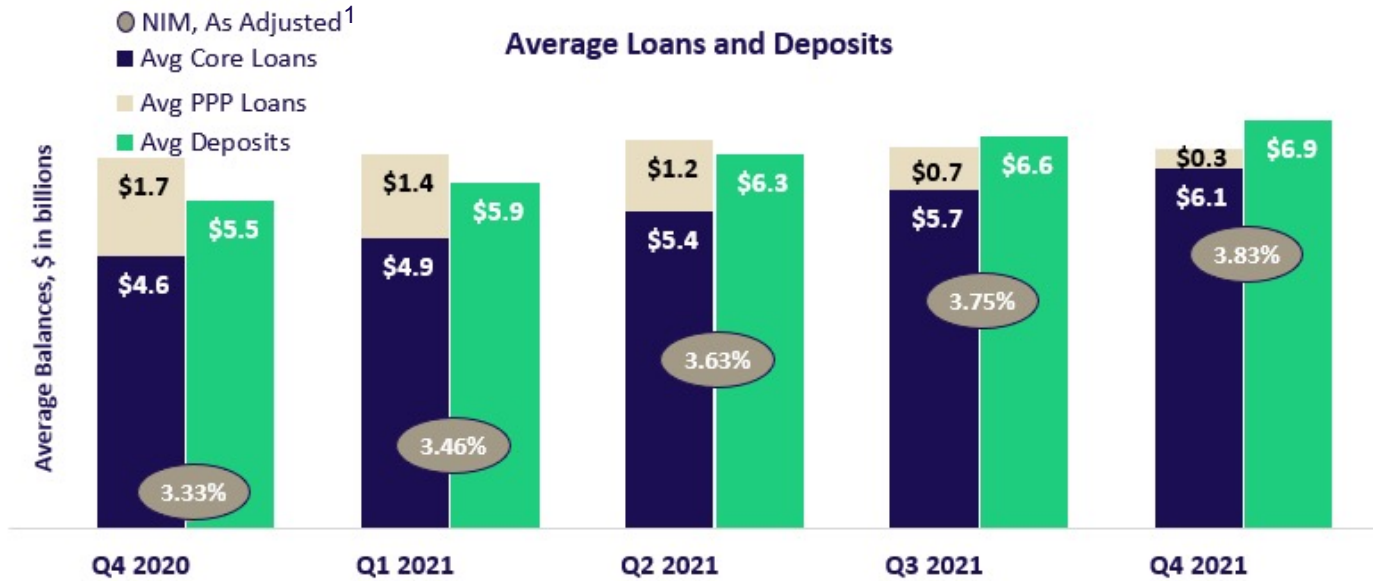


10bps
Noninterest Expense
of Deposits²
Q4 2021

1. Excludes brokered CDs and CDARs.
2. See Appendix for noninterest expense of deposits.

BALANCE SHEET GROWTH MOMENTUM

Significant NIM Expansion Over the Course of 2021



Balance Sheet Highlights

- NIM remains strong and resilient
- 35% average loan growth YoY, excluding PPP
- ~44% of loans are variable, primarily Prime
- ~35% of funding in retail savings

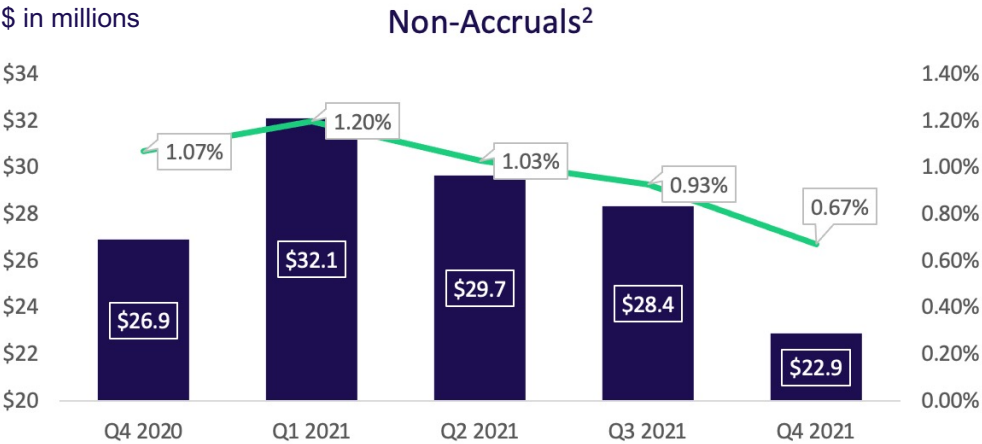
Core Loan Yield	5.27%	5.30%	5.26%	5.29%	5.27%
Deposit Cost	1.37%	1.17%	0.94%	0.85%	0.79%
Reported NIM	3.33%	3.81%	3.63%	3.99%	4.02%

1. Estimated adjusted NIM removes PPP/PPPLF impacts and directly related excess liquidity

CREDIT METRICS HEALTHY

Signs Indicate Customers Are Returning to Pre-Pandemic Operations

- Criticized and classified loans continue to decrease quarter over quarter
- Covid impacted verticals continue to show signs of improvement with favorable risk grade trends and indications of a return to pre-pandemic business
- Decline in net non-accruals in Q4, demonstrates our commitment to diligent servicing

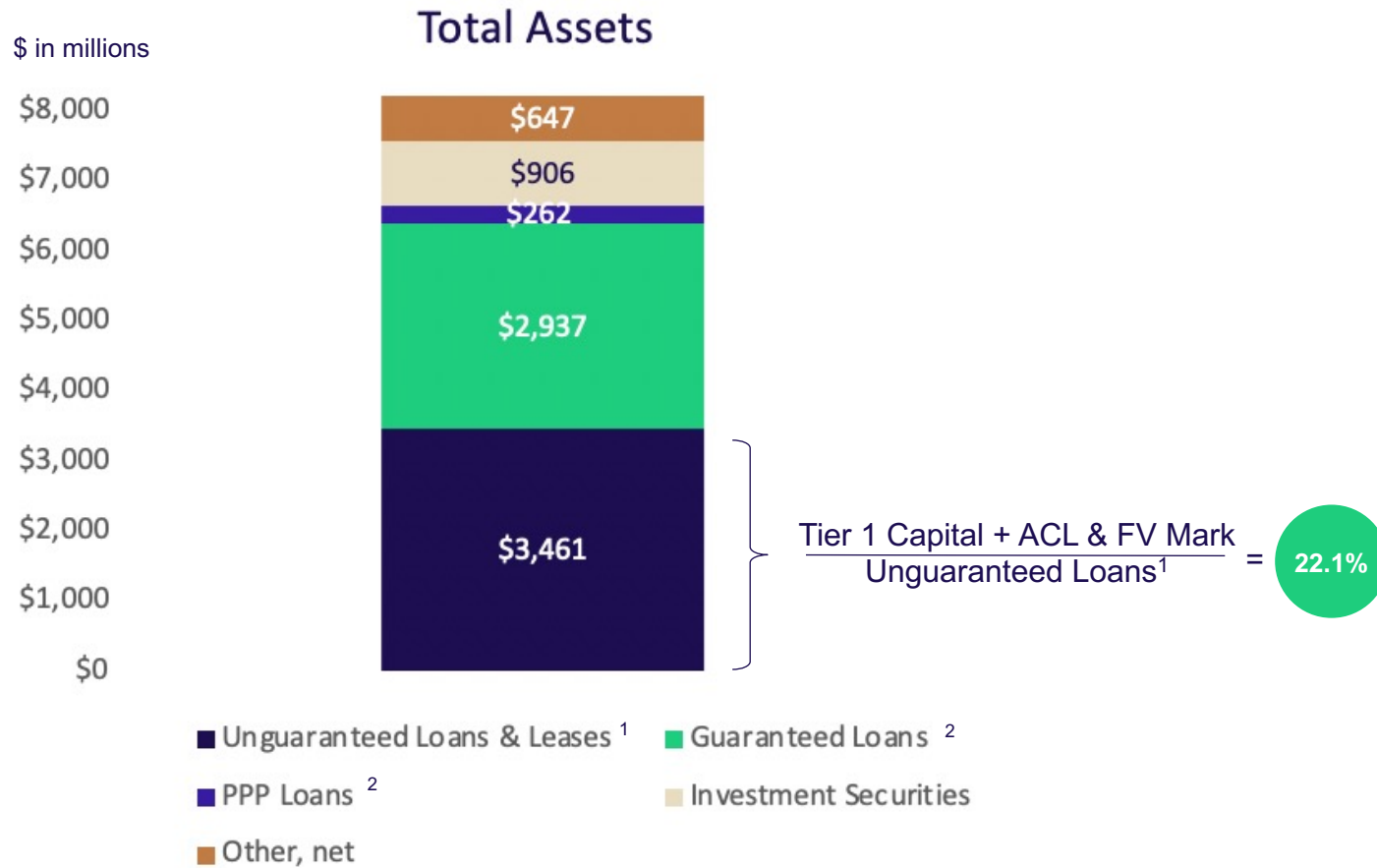


	Q4 HFI Unguaranteed Balance	Past Due >30 Days ¹	Non- Accruals ²	Net Charge Offs ³
\$ in millions				
Small Business Banking	\$2,193	0.34%	0.90%	0.00%
Energy & Infrastructure	\$304	0.00%	0.00%	0.00%
Specialty Finance	\$901	0.00%	0.34%	0.00%

1.) Past due loans and leases include only loans and leases on accrual status at amortized cost. Ratio uses total HFI unguaranteed loans and leases at amortized cost (inclusive of loans and leases at fair value and historical cost) as denominator. 2.) Non-accrual loans and leases include HFI unguaranteed balance of non-accrual loans and leases at amortized cost (inclusive of loans and leases at fair value and historical cost). Ratio uses total HFI unguaranteed loans and leases at amortized cost (inclusive of loans and leases at fair value and historical cost) as denominator. 3.) Net charge offs ratio uses HFI unguaranteed loans and leases at amortized cost exclusive of loans at fair value.

CREDIT RESERVES AND CAPITAL

Favorable Loan Mix, Reserves & Capital Provide Balance Sheet Strength



Capital Ratios	Q4 2021
Common Equity Tier 1	12.4%
Total Capital	13.5%
Tier 1 Capital	12.4%
Tier 1 Leverage	8.9%

As of December 31, 2021 (\$ in millions)	
Tier 1 Capital (a)	\$689
ACL and FV Mark on Unguaranteed Loans and Leases (b)	\$76
Total Unguaranteed Loans and Leases ¹ (c)	\$3,461
Tier 1 Capital to Unguaranteed Loans and Leases ¹ (a/c)	19.9%
ACL and FV Mark to Unguaranteed Loans and Leases ¹ (b/c)	2.2%

1. Represents total unguaranteed loans and leases at amortized cost (inclusive of loans and leases at fair value and historical cost).

2. Balances reflected are at amortized cost.

HIGH PERFORMING BANK METRICS

Live Oak Bank's Q4 Performance as Compared with Industry Peers³

	Peer Median	Top Quartile	
NIM	3.00	3.33	4.02%
Efficiency Ratio¹	57.5	50.3	53.6%
ROA	1.34	1.5%	
ROE	11.1	13.5	16.8%
CET1 Ratio	12.3	14.3	12.4%
Total loan and lease portfolio, excluding PPP² (YoY growth)	3.0	7.1	32%
Adjusted PPNR² (YoY Growth)	8.0	24.9	67%

1. Non-GAAP financial measure. See Appendix for reconciliation of non-GAAP items to reported balances.

2. Adjusted Non-GAAP financial measures. See Appendix for reconciliation of non-GAAP items to reported balances.

3. Peer Source: S&P Global. Peers consist of public banks between \$10b and \$25b in total assets as of September 30, 2021. Peer data as reported.

VERTICALITY | SCALABILITY | OPTIONALITY

MILESTONE UPDATES

Leveraging the Platform

2021 WINS

- Continued momentum of core platform
 - Growth from generalists, new verticals, and conventional lending teams
 - Built out support teams to facilitate future growth
- Talent growth continues with 164 net new hires
 - >90% job retention
- Deposit conversion to Finxact
- Small business checking launched
- Loan servicing enhancements

UPCOMING

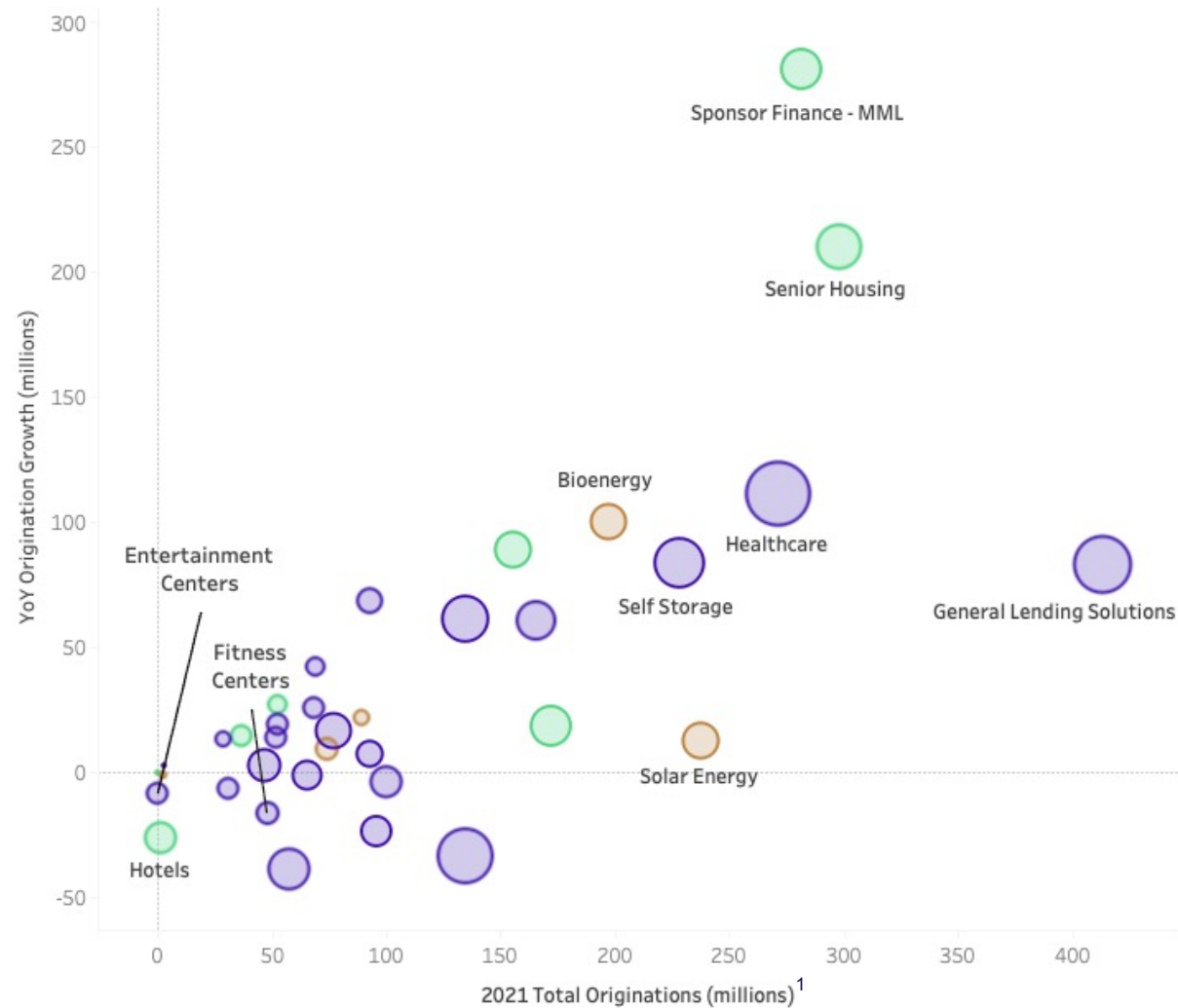
1H 2022

- Continued expansion of core platform
- Small business checking enhancements
- Loan origination and servicing platform enhancements

2H 2022

- Working capital and liquidity solutions for small business
- Embedded Banking launch

DIVERSIFICATION AND GROWTH ACROSS THE PLATFORM



Size of bubble represents each vertical's outstanding balance as a proportion of the Bank's total outstanding balance

22%

Increase in Lenders

39%

Increase in Lending Support

46%

2021 Total Origination¹ Growth vs 2020

2021 Production Mix by Business Unit



\$ in millions	Q4 Loans Outstanding	2021 Origination Growth
<div></div> Small Business Banking	\$5,411	26% ¹
<div></div> Energy & Infrastructure	641	32%
<div></div> Specialty Finance	1,598	160%

¹ Loan and Lease Originations, excluding PPP

INVESTING IN TECH TALENT TO SUPPORT GROWTH

Enhancing Quality & Efficiency Across the Business

WHAT Significant investment ongoing in tech talent

WHY Accelerate new capabilities, speed-to-market, and innovation



HOW Building 7 dedicated teams aligned to key areas

Small Business Banking,
E&I Lending, Specialty Finance

Lender
Experience

Customer
Experience

Deposits & Emerging Small
Business Lines of Credit

Deposits

Next-Gen
Credit

Embedded Banking &
Common Digital Capabilities

Embedded
Banking

Digital
Components/
Infrastructure

Data &
Analytics

DELIVERING PRODUCTS & SERVICES TO CUSTOMERS

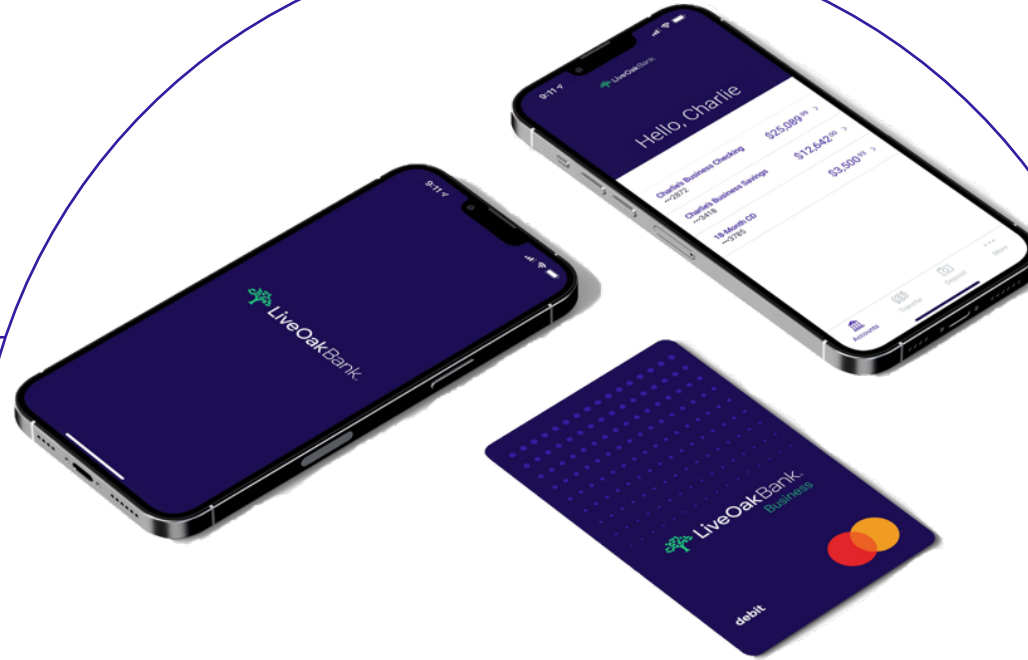
Building What Customers Need on a Next-Gen Platform

- ☒ SBA
- ☒ Conventional
- ☒ Line of Credit
- ☐ Small Balance Loan
- ☐ Credit Card

**ACCESS TO
CAPITAL**

**MOVE
MONEY**

- ☒ Debit Card
- ☒ Bill Pay
- ☒ Checks
- ☐ Automated Wire/ACH

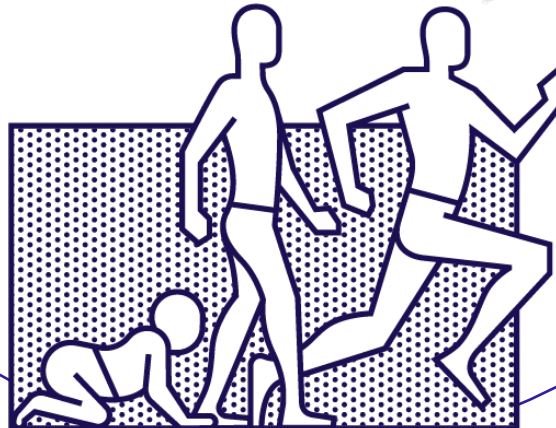


- ☐ QuickBooks
- ☐ Payroll
- ☐ Expense Management
- ☐ Rules Engine
- ☐ Insights
- ☐ Embedded Banking

**MANAGE/
INTEGRATE**

GET PAID

- ☒ Mobile Deposit
- ☐ Merchant POS
- ☐ Invoicing



BUILDING THE COMMUNITY BANK OF THE FUTURE

Marrying High-Tech, High-Touch Approach for Customized Small Business Banking

Community Bank Strengths



Personalized Service

We couple banking knowledge with industry expertise



Small Business Needs

We know customers need unique solutions



Fintech Superpowers



Banking Building Blocks

We started the fundamentals on a next-gen platform



World Class Digital Experience

We deliver products and services with our customers at the center of the experience



High-Tech, High-Touch



Integrated Solutions

Develop business solutions tailored for our customer's needs



Compelling Outcomes

Customized experiences, data and insights to give a full picture view of your business

SEAMLESS CONNECTIVITY WITH EMBEDDED BANKING

Unlocking the Combined Power of Banking and Business Management Solutions

Evolving Industry Landscape

- Proliferation of verticalized software
- Presence of industry networks and aggregators
- Digitization of key business data

Opportunity

- Provide more value to the customer
- Transform static data into actionable insights
- Distribution of financial services (loans, deposits, payments)

Keys to Success

- Best-in-class technology architecture
- Impactful financial products
- Deep vertical expertise



CUSTOMERS



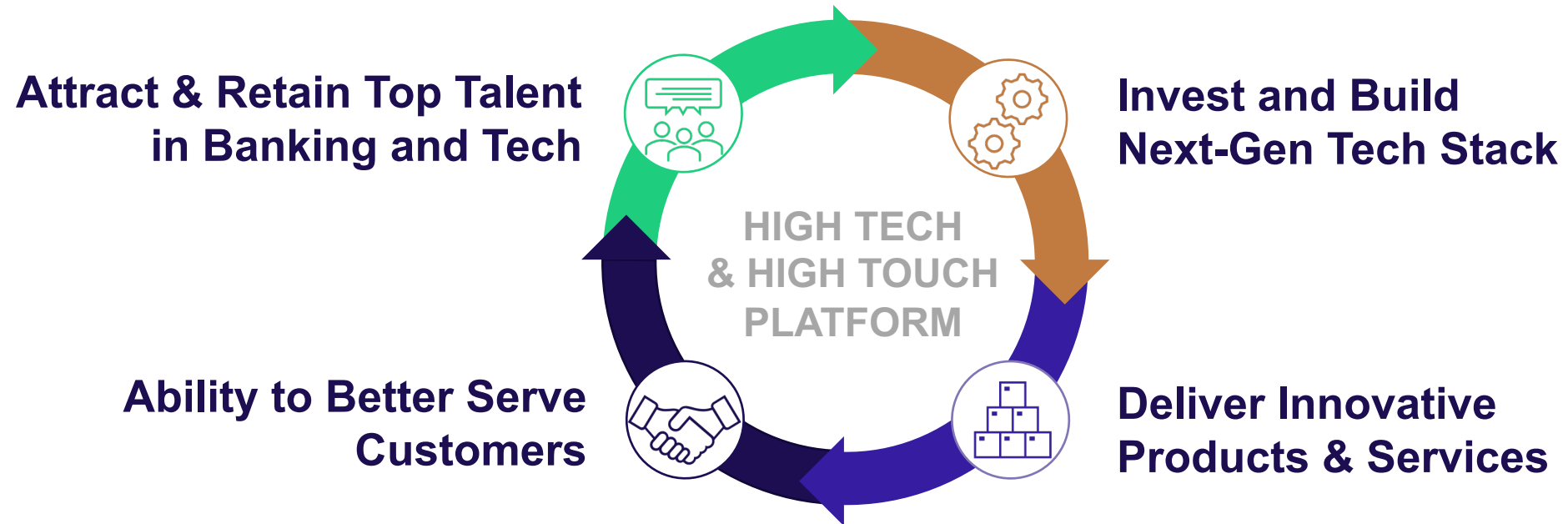
PARTNERS



BANKS

LIVE OAK CULTURE

Model Drives Continued Success



EVOLUTION OF FINTECH INVESTING AT LOB

From Live Oak Ventures to Canapi, how LOB uses Fintech to Enhance the Banking Experience

LIVE OAK VENTURES

Direct Investment

Finxact*

Apiture^{1*}

Savana*

Payrailz*

DefenseStorm*

Greenlight

Kwipped

Philanthropi*

Able*

CANAPI

Advisor and LP Investor in Fund I

Nova Co-led Series B	Able Led Seed Led Series A	Built* Series B Series C Series D
Moov* Seed + Series A	Blooma Led Seed A	Notarize* Led Series D
Laika Led Series A Series B	Orum* Co-Led Series B	Blend Led Series F
Neuro-ID Series A	Peach Led Series A	Greenlight Co-Led Series C Series D
Capitalize Led Series A	Posh Leading Series A (not closed)	MX* Series C
Finxact* Series A	Alloy* Led Series B + C	

CANAPI CONTINUED

Fund II TBD

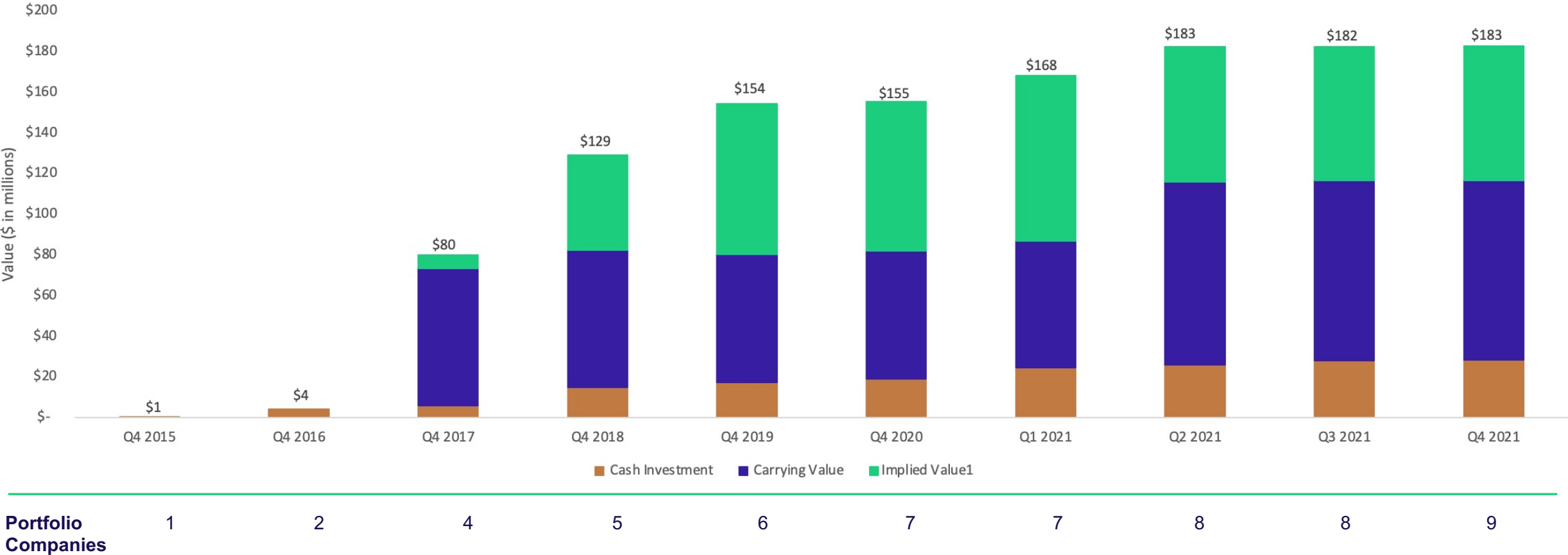
Investing in the future of the
fintech revolution

1. Apiture is a direct investment by Live Oak Bank.

*Companies Live Oak Bank is currently in production or discussions.

DIRECT FINTECH INVESTMENTS

Low Cash Investment, Significant Current Valuation



1. Estimated implied value based on most recent transaction data and not necessarily indicative of current or future value.

LIVE OAK VENTURES REMAINS ACTIVE

Direct Investments Continue to be Critical to Our Innovation

- Strategy starts with business rationale
- Investments are opportunistic and driven by the business and technology discussions
- Venture investments help propel Live Oak's mission to be America's small business bank



LIVE OAK BANK

Our Path to Becoming America's Small Business Bank

VERTICALITY

Differentiated lending model dedicated to small businesses

- 30+ lending verticals with deep industry expertise
- Strong credit profile with significant percentage of loans on book with government guarantee
- Large addressable market for future loan growth
- High touch customer service model

SCALABILITY

Building the moat

- Growing and investing in the lending platform
- Building on next-gen core and ecosystem
- Efficient deposits platform
- Future product enhancements
 - Small business operating account suite
 - Community bank of the future
 - Embedded banking

OPTIONALITY

Value creation through industry disruption

- Leading-edge fintech investments activities
 - Live Oak Ventures
 - Canapi Ventures
- Product and service innovation platform

Q & A



FORWARD LOOKING STATEMENTS

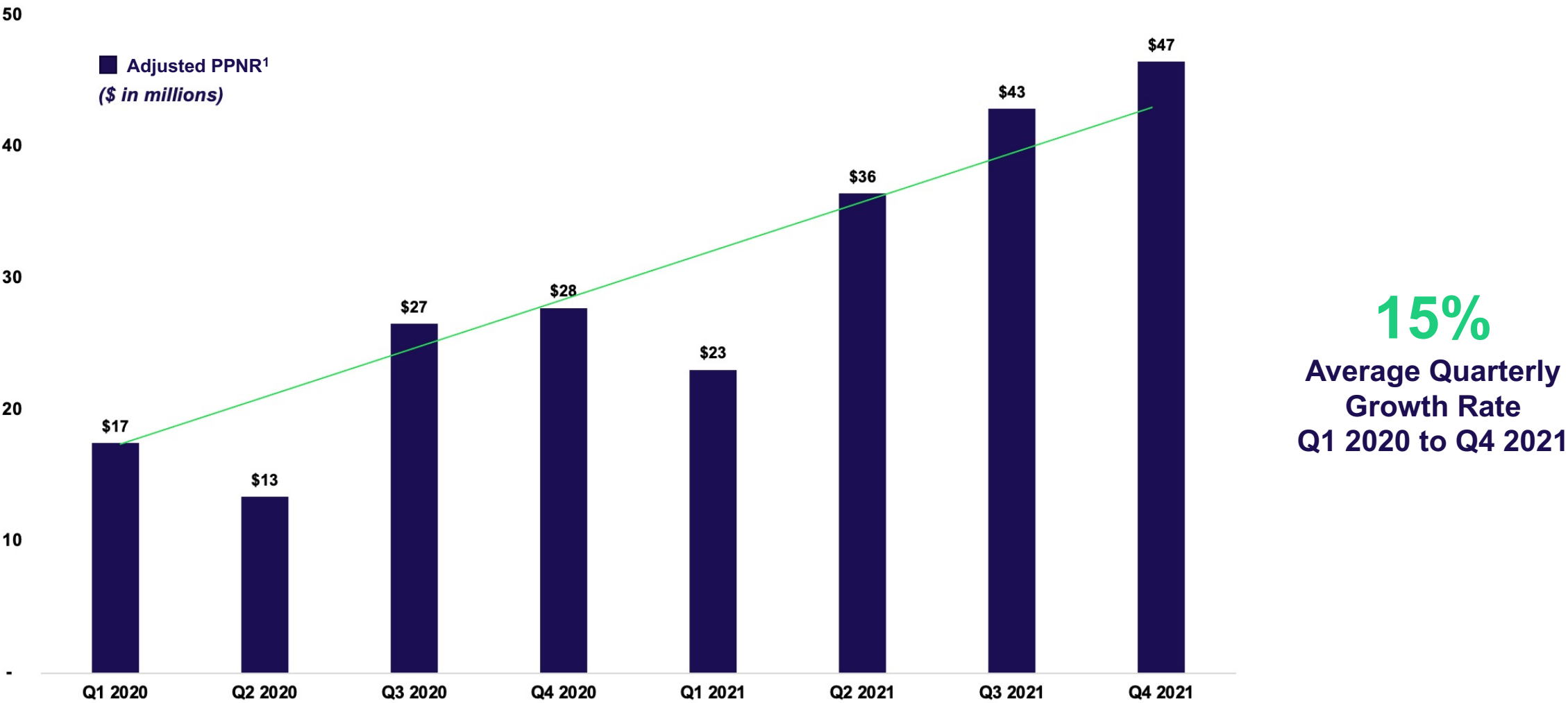
Information in this presentation may contain “forward-looking statements” within the Private Securities Litigation Reform Act of 1995. These statements generally relate to our financial condition, results of operations, plans, objectives, future performance or business and usually can be identified by the use of forward-looking terminology such as “may,” “will,” “would,” “should,” “could,” “expect,” “anticipate,” “estimate,” “believe,” “plan,” “intend,” “project,” “goals,” “outlook,” or “continue,” or the negative thereof or other variations thereof or comparable terminology. These statements represent our judgment concerning the future and are subject to business, economic and other risks and uncertainties, both known and unknown. These statements are based on current expectations, estimates and projections about our business, management’s beliefs and assumptions made by management. These statements are not guarantees of our future performance and involve certain risks and uncertainties, which are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in the forward-looking statements. These risks, uncertainties and assumptions include, without limitation:

- deterioration in the financial condition of borrowers resulting in significant increases in our loan and lease losses and provisions for those losses and other adverse impacts to results of operations and financial condition;
- changes in SBA rules, regulations and loan products, including specifically the Section 7(a) program, changes in SBA standard operating procedures or changes to Live Oak Banking Company’s status as an SBA Preferred Lender;
- changes in rules, regulations or procedures for other government loan programs, including those of the United States Department of Agriculture;
- changes in interest rates that affect the level and composition of deposits, loan demand and the values of loan collateral, securities, and interest sensitive assets and liabilities;
- the failure of assumptions underlying the establishment of reserves for possible loan and lease losses;
- changes in loan underwriting, credit review or loss reserve policies associated with economic conditions, examination conclusions, or regulatory developments;
- the potential impacts of the Coronavirus Disease 2019 (COVID-19) pandemic on trade (including supply chains and export levels), travel, employee productivity and other economic activities that may have a destabilizing and negative effect on financial markets, economic activity and customer behavior;
- a reduction in or the termination of our ability to use the technology-based platform that is critical to the success of our business model or to develop a next-generation banking platform, including a failure in or a breach of our operational or security systems or those of its third party service providers;
- changes in financial market conditions, either internationally, nationally or locally in areas in which we conduct operations, including reductions in rates of business formation and growth, demand for our products and services, commercial and residential real estate development and prices, premiums paid in the secondary market for the sale of loans, and valuation of servicing rights;
- changes in accounting principles, policies, and guidelines applicable to bank holding companies and banking;
- fluctuations in markets for equity, fixed-income, commercial paper and other securities, which could affect availability, market liquidity levels, and pricing;
- the effects of competition from other commercial banks, non-bank lenders, consumer finance companies, credit unions, securities brokerage firms, insurance companies, money market and mutual funds, and other financial institutions operating in our market area and elsewhere, including institutions operating regionally, nationally and internationally, together with such competitors offering banking products and services by mail, telephone and the Internet;
- our ability to attract and retain key personnel;
- changes in governmental monetary and fiscal policies as well as other legislative and regulatory changes, including with respect to SBA or USDA lending programs and investment tax credits;
- changes in political and economic conditions, including as a result of the 2020 federal elections;
- the impact of heightened regulatory scrutiny of financial products and services, primarily led by the Consumer Financial Protection Bureau and various state agencies;
- our ability to comply with any requirements imposed on us by our regulators, and the potential negative consequences that may result;
- operational, compliance and other factors, including conditions in local areas in which we conduct business such as inclement weather or a reduction in the availability of services or products for which loan proceeds will be used, that could prevent or delay closing and funding loans before they can be sold in the secondary market;
- the effect of any mergers, acquisitions or other transactions, to which we may from time to time be a party, including management’s ability to successfully integrate any businesses that we acquire;
- adverse results, including related fees and expenses, from pending or future lawsuits, government investigations or private actions
- other risk factors listed from time to time in reports that we file with the SEC, including in our Annual Report on Form 10-K; and
- our success at managing the risks involved in the foregoing.

Given these risks, uncertainties and other factors, you should not place undue reliance on these forward-looking statements. Moreover, these forward-looking statements speak only as of the date they are made and based only on information actually known to us at the time. We undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Except as otherwise disclosed, forward-looking statements do not reflect: (i) the effect of any acquisitions, divestitures or similar transactions that have not been previously disclosed; (ii) any changes in laws, regulations or regulatory interpretations; or (iii) any change in current dividend or repurchase strategies, in each case after the date as of which such statements are made.

2021 CONTINUED THE MOMENTUM STARTED IN 2020

Adjusted PPNR¹ Up 75% 2021 vs 2020



1. Adjusted non-GAAP financial measures. See Appendix for reconciliation of non-GAAP items to reported balances.

APPENDIX

Fintech Activities Impact on Consolidated Financials (\$ in millions)

Actuals for the year ended December 31, 2021

	Banking Activities	Apiture	Live Oak Ventures	Canapi Advisors	Fintech Activities	Other	Consolidated, as reported
Net interest income	\$ 297.9	\$ -	\$ 0.1	\$ 0.1	\$ 0.2	\$ (1.3)	\$ 296.8
Provision for credit losses	15.2	-	-	-	-	-	15.2
Noninterest income (loss)	114.4	(3.1)	39.9	6.4	43.1	2.7	160.2
Noninterest expense	215.8	-	0.3	5.1	5.4	9.8	231.0
Income (loss) before income tax expense	\$ 181.2	\$ (3.1)	\$ 39.6	\$ 1.4	\$ 37.9	\$ (8.4)	\$ 210.8

Actuals for the quarter ended December 31, 2021

Net interest income	\$ 78.0	\$ -	\$ 0.1	\$ 0.0	\$ 0.1	\$ (0.4)	\$ 77.6
Provision for credit losses	3.9	-	-	-	-	-	3.9
Noninterest income (loss)	31.9	(0.6)	(0.1)	1.5	0.8	1.1	33.8
Noninterest expense	56.9	-	0.0	2.0	2.0	0.7	59.7
Income (loss) before income tax expense	\$ 49.0	\$ (0.6)	\$ (0.1)	\$ (0.5)	\$ (1.2)	\$ (0.1)	\$ 47.8

Actuals for the quarter ended September 30, 2021

Net interest income	\$ 78.1	\$ -	\$ -	\$ -	\$ -	\$ (0.4)	\$ 77.7
Provision for credit losses	4.3	-	-	-	-	-	4.3
Noninterest income (loss)	27.0	(0.7)	(1.1)	1.5	(0.3)	(1.5)	25.3
Noninterest expense	52.4	-	0.1	1.1	1.2	1.8	55.5
Income (loss) before income tax expense	\$ 48.4	\$ (0.7)	\$ (1.2)	\$ 0.4	\$ (1.5)	\$ (3.7)	\$ 43.2

Actuals for the quarter ended June 30, 2021

Net interest income	\$ 71.8	\$ -	\$ 0.0	\$ 0.0	\$ 0.0	\$ (0.4)	\$ 71.5
Provision for credit losses	7.8	-	-	-	-	-	7.8
Noninterest income (loss)	24.9	(1.0)	42.2	1.5	42.6	2.6	70.1
Noninterest expense	50.8	-	0.1	1.0	1.1	5.6	57.6
Income (loss) before income tax expense	\$ 38.1	\$ (1.0)	\$ 42.0	\$ 0.5	\$ 41.5	\$ (3.4)	\$ 76.2

Actuals for the quarter ended March 31, 2021

Net interest income	\$ 69.9	\$ -	\$ -	\$ 0.1	\$ 0.1	\$ (0.1)	\$ 70.0
Provision for credit losses	(0.9)	-	-	-	-	-	(0.9)
Noninterest income (loss)	30.5	(0.9)	(1.0)	1.9	(0.0)	0.5	31.1
Noninterest expense	55.6	-	0.1	0.9	1.0	1.6	58.3
Income (loss) before income tax expense	\$ 45.7	\$ (0.9)	\$ (1.1)	\$ 1.1	\$ (0.9)	\$ (1.2)	\$ 43.6

Fintech Activities Impact on Consolidated Financials (\$ in millions)

Actuals for the year ended December 31, 2020

	Banking Activities	Apiture	Live Oak Ventures	Canapi Advisors	Fintech Activities	Other	Consolidated, as reported
Net interest income	\$ 195.0	\$ -	\$ -	\$ -	\$ -	\$ (0.3)	\$ 194.7
Provision for credit losses	40.7	-	-	-	-	-	40.7
Noninterest income (loss)	77.5	(11.4)	11.4	6.6	6.6	1.9	86.0
Noninterest expense	181.6	-	0.2	5.3	5.5	5.6	192.7
Income (loss) before income tax expense	\$ 50.3	\$ (11.4)	\$ 11.2	\$ 1.2	\$ 1.1	\$ (4.0)	\$ 47.4

Actuals for the quarter ended December 31, 2020

Net interest income	\$ 62.3	\$ -	\$ -	\$ -	\$ -	\$ (0.0)	\$ 62.3
Provision for credit losses	8.6	-	-	-	-	-	8.6
Noninterest income (loss)	16.7	(7.9)	(0.9)	2.4	(6.3)	0.5	10.8
Noninterest expense	48.6	-	0.0	1.5	1.5	2.3	52.4
Income (loss) before income tax expense	\$ 21.8	\$ (7.9)	\$ (0.9)	\$ 0.9	\$ (7.9)	\$ (1.9)	\$ 12.0

Actuals for the quarter ended September 30, 2020

Net interest income	\$ 51.4	\$ -	\$ -	\$ -	\$ -	\$ (0.0)	\$ 51.4
Provision for credit losses	10.3	-	-	-	-	-	10.3
Noninterest income (loss)	31.8	(0.9)	14.3	1.3	14.7	0.6	47.0
Noninterest expense	41.0	-	0.1	1.1	1.1	0.5	42.7
Income (loss) before income tax expense	\$ 31.9	\$ (0.9)	\$ 14.3	\$ 0.2	\$ 13.6	\$ 0.0	\$ 45.5

Actuals for the quarter ended June 30, 2020

Net interest income	\$ 41.1	\$ -	\$ -	\$ -	\$ -	\$ (0.2)	\$ 40.9
Provision for credit losses	10.0	-	-	-	-	-	10.0
Noninterest income (loss)	23.1	(1.3)	(0.9)	1.2	(0.9)	0.2	22.4
Noninterest expense	45.3	-	0.1	1.3	1.4	1.4	48.1
Income (loss) before income tax expense	\$ 8.9	\$ (1.3)	\$ (0.9)	\$ (0.1)	\$ (2.3)	\$ (1.4)	\$ 5.3

Actuals for the quarter ended March 31, 2020

Net interest income	\$ 40.2	\$ -	\$ -	\$ -	\$ -	\$ (0.0)	\$ 40.2
Provision for credit losses	11.8	-	-	-	-	-	11.8
Noninterest income (loss)	6.0	(1.4)	(1.2)	1.6	(0.9)	0.7	5.7
Noninterest expense	46.7	-	0.1	1.4	1.5	1.3	49.5
Income (loss) before income tax expense	\$ (12.3)	\$ (1.4)	\$ (1.2)	\$ 0.2	\$ (2.4)	\$ (0.7)	\$ (15.4)

APPENDIX

Total Assets, Reconciliation Non-GAAP Items to Reported Balances

Reconciliation to reported balances

(\$ in millions)

	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Loans held for sale, as reported	\$ 1,175.5	\$ 1,076.7	\$ 1,064.9	\$ 1,042.8	\$ 1,116.5
Loans and leases held for investment, as reported	5,144.9	5,456.8	5,441.4	5,418.6	5,521.3
Less PPP loans, net	1,498.6	1,445.1	927.3	489.8	261.9
Total loan and lease portfolio, excluding PPP	4,821.8	5,088.4	5,579.0	5,971.6	6,375.9
Outstanding balance of loans sold & serviced	3,205.6	3,216.7	3,134.1	3,212.3	3,298.8
Managed portfolio, excluding PPP	8,027.4	8,305.2	8,713.1	9,183.9	9,674.7
a Total assets, as reported	\$ 7,872.3	\$ 8,417.9	\$ 8,243.2	8,137.3	8,213.4
PPP-related activities:					
Cash and cash receivable	3.3	22.6	4.6	0.0	0.1
Loans, net of unearned	1,498.6	1,445.1	927.3	489.8	261.9
Allowance for credit losses	(2.3)	(2.2)	(1.4)	(2.8)	(2.4)
Accrued interest receivable	10.6	9.6	6.7	3.8	2.7
Estimated excess balance sheet liquidity arising from PPP	-	-	-	-	-
Total adjustments for PPP activities	1,510.2	1,475.1	937.2	490.9	262.2
b Total Assets, as adjusted to exclude PPP	\$ 6,362.1	\$ 6,942.8	\$ 7,306.0	\$ 7,646.5	\$ 7,951.2

APPENDIX

Reconciliation of non-GAAP items to reported balances

(\$ in millions)

	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2020	FY 2021
Net interest income, as reported	\$ 40.2	\$ 40.9	\$ 51.4	\$ 62.3	\$ 70.0	\$ 71.5	\$ 77.7	\$ 77.6	\$ 194.7	\$ 296.8
Less PPP loan interest income	-	3.3	4.4	4.3	3.6	3.2	1.8	0.8	12.0	9.4
Less loan deferred fees & costs amortized into interest income, net	-	5.4	9.2	13.3	17.2	11.2	10.9	6.7	27.9	46.0
Add estimated interest expense on funding activity to support PPP activities	-	1.8	2.8	2.4	1.9	1.6	0.6	0.3	7.0	4.3
c Adjusted net interest income	40.2	34.0	40.6	47.1	51.1	58.6	65.6	70.5	161.8	245.7
Total noninterest income, as reported	5.7	22.4	47.0	10.8	31.1	70.1	25.3	33.8	86.0	160.2
Fair value adjustments:										
Add loan servicing asset revaluation loss (gain)	4.7	1.6	(2.1)	5.8	(1.5)	3.2	5.9	4.2	10.0	11.7
Add exchange-traded interest rate futures contracts loss (gain) ⁽¹⁾	3.2	(0.1)	(0.3)	(0.2)	-	-	-	-	2.6	-
Add net loss (gain) on loans accounted for under the fair value option	10.6	1.1	(3.4)	4.8	(4.2)	(1.1)	1.0	0.1	13.1	(4.3)
Add other (gains) losses on valuation adjustments ⁽²⁾	0.2	(0.3)	(0.0)	0.0	(0.3)	(0.4)	(0.3)	0.0	(0.1)	(1.0)
Total fair value adjustments	18.7	2.3	(5.7)	10.3	(6.1)	1.7	6.6	4.2	25.5	6.5
Less gain on sale of aircraft	-	-	-	-	0.1	-	-	-	-	0.1
Add (subtract) noncash losses (gains) from investments in venture funds	-	-	-	-	(0.8)	(0.5)	(0.5)	(3.4)	-	(5.3)
Add (gains) losses from FinTech Activities ⁽³⁾	2.4	2.3	(13.6)	7.9	0.9	(41.5)	1.5	1.2	(1.1)	(37.9)
Less sales revenue from co-developed processing technology	-	2.5	-	0.2	-	-	-	-	2.7	-
d Adjusted noninterest income	26.8	24.5	27.7	28.8	25.0	29.7	32.8	35.8	107.8	123.3
c+d Adjusted total revenue	67.0	58.5	68.3	76.0	76.1	88.3	98.4	106.2	269.6	369.0
e Total noninterest expense, as reported	49.5	48.1	42.7	52.4	58.3	57.6	55.5	59.7	192.7	231.0
Less bonus related to FinTech investment gains	-	-	-	-	-	4.0	-	-	-	4.0
Less loss on sale of aircraft	-	-	-	0.0	-	-	-	-	-	-
Less impairment on aircraft held for sale	-	-	1.0	0.2	-	-	-	-	1.3	-
Less renewable energy tax credit impairment	-	-	-	-	3.1	-	-	-	-	3.1
Less renewable energy tax credit lease receivable impairment	-	-	-	-	0.9	-	-	-	-	0.9
Less compensation and payroll taxes related to restricted stock awards with market price conditions ⁽⁴⁾	-	-	-	4.1	2.6	1.8	-	-	4.1	4.4
Less performance bonus related to PPP activities	-	7.2	-	-	-	-	-	-	7.2	-
Add deferred salary expense related to PPP activities	-	(4.2)	(0.1)	-	(1.3)	(0.0)	-	-	(4.3)	(1.4)
f Adjusted noninterest expense	49.5	45.1	41.7	48.0	53.0	51.9	55.5	59.7	184.4	220.0
Adjusted net interest income	40.2	34.0	40.6	47.1	51.1	58.6	65.6	70.5	161.8	245.7
Adjusted noninterest income	26.8	24.5	27.7	28.8	25.0	29.7	32.8	35.8	107.8	123.3
Adjusted noninterest expense	49.5	45.1	41.7	48.0	53.0	51.9	55.5	59.7	184.4	220.0
g Adjusted PPNR	17.5	13.4	26.6	27.8	23.1	36.5	42.9	46.5	85.3	149.0
h Provision for (recovery of) loan and lease credit losses, as reported	11.8	10.0	10.3	8.6	(0.9)	7.8	4.3	3.9	40.7	15.2
g-h Adjusted net income before tax	5.7	3.4	16.3	19.2	24.0	28.6	38.6	42.6	44.6	133.8

1. Included as a component of the net gains on sales of loans on the income statement. 2. Includes valuation losses related to equity security investments, equity warrant assets, and foreclosed assets 3. See Appendix "FinTech Activities Impact on Consolidated Financials" 4. Amount reflects accelerated stock compensation expense and related employer payroll taxes in the quarter of vesting

APPENDIX

(\$ in millions)

Total Shareholders' Equity

Less:

Goodwill

Other intangible assets

a Tangible Shareholders' equity

b Shares Outstanding

a/b **TBV (Tangible Book Value) per share**

(\$ in millions)

Efficiency Ratio

Noninterest Expense

Net Interest Income

Noninterest Income

Less: gain on sale of securities

Adjusted operating Revenue

Efficiency Ratio

Efficiency ratio adjusted for non-GAAP activities

Adjusted noninterest expense

Adjusted net interest income

Adjusted noninterest income

Adjusted efficiency ratio

	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021		
	\$ 567.9	\$ 590.4	\$ 657.3	\$ 689.4	\$ 715.1		
	1.8	1.8	1.8	1.8	1.8		
	2.2	2.1	2.1	2.1	2.0		
	563.9	586.4	653.4	685.6	711.3		
	42,452,446	42,951,344	43,264,460	43,381,014	43,619,070		
	\$ 13.28	\$ 13.65	\$ 15.10	\$ 15.80	\$ 16.31		
	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY2020	FY 2021
	\$ 52.4	\$ 58.3	\$ 57.6	\$ 55.5	\$ 59.7	\$ 192.7	\$ 231.0
	62.3	70.0	71.5	77.7	77.6	194.7	296.8
	10.8	31.1	70.1	25.3	33.8	86.0	160.2
	-	-	-	-	-	1.9	-
	73.1	101.0	141.6	103.0	111.4	278.8	457.0
	71.7%	57.7%	40.7%	53.8%	53.6%	69.1%	50.5%
	48.0	53.0	51.9	55.5	59.7	184.4	220.0
	47.1	51.1	58.6	65.6	70.5	161.8	245.7
	28.8	25.0	29.7	32.8	35.8	107.8	123.3
	63.4%	69.7%	58.7%	56.4%	56.2%	68.4%	59.6%

APPENDIX

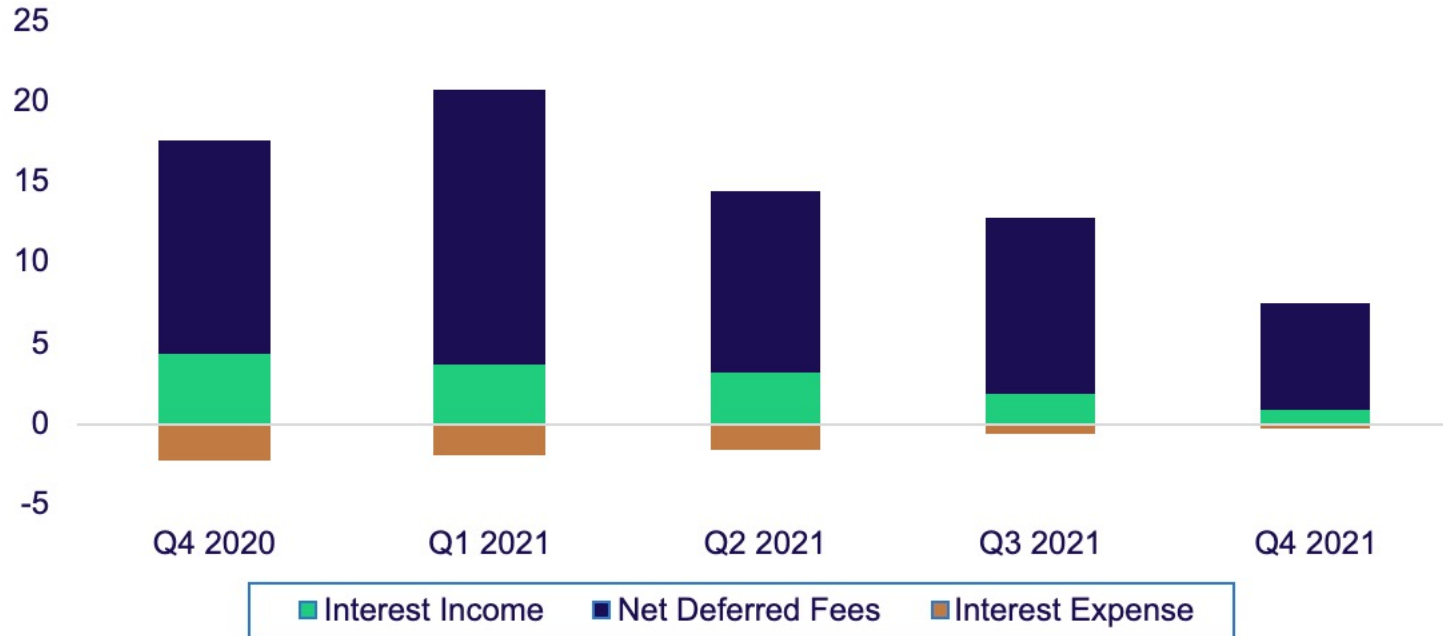
Noninterest expense of deposits

Three Months ended December 31, 2021	
(Dollars in Millions)	
Interest	\$ 13.8
Personnel	0.9
Marketing Expense	0.0
Technology Expense	0.6
Other Expense	0.1
Total Direct Deposit Expenses	\$ 15.5
 Average Deposit Balances	 \$ 6,905
 Annualized Cost of Funds	
Three Months ended December 31, 2021	
Interest	0.79%
Personnel	0.05%
Marketing Expense	0.00%
Technology Expense	0.04%
Other Expense	0.01%
Cost of Funds % including Deposits Department	0.89%
 Direct Noninterest Cost of Funds	 0.10%

APPENDIX

On the other side of PPP | Processed nearly 15,000 PPP loans

PPP Net Interest Income Impact



\$10.1 million net interest income earned since April 2020, excluding the amortization of net deferred fees

\$2.3

billion
PPP Loans
Originated

\$80.3

million
Net Deferred Fees at
Origination

\$2.0

billion
PPP Loans
Forgiven/Paid Down

\$73.8

million
Net Deferred Fees
Recognized

\$268.4

million
PPP Loan Balance
Remaining

\$6.5

million
Net Deferred Fees
Remaining

APPENDIX

Live Oak Bank Tech Stack

