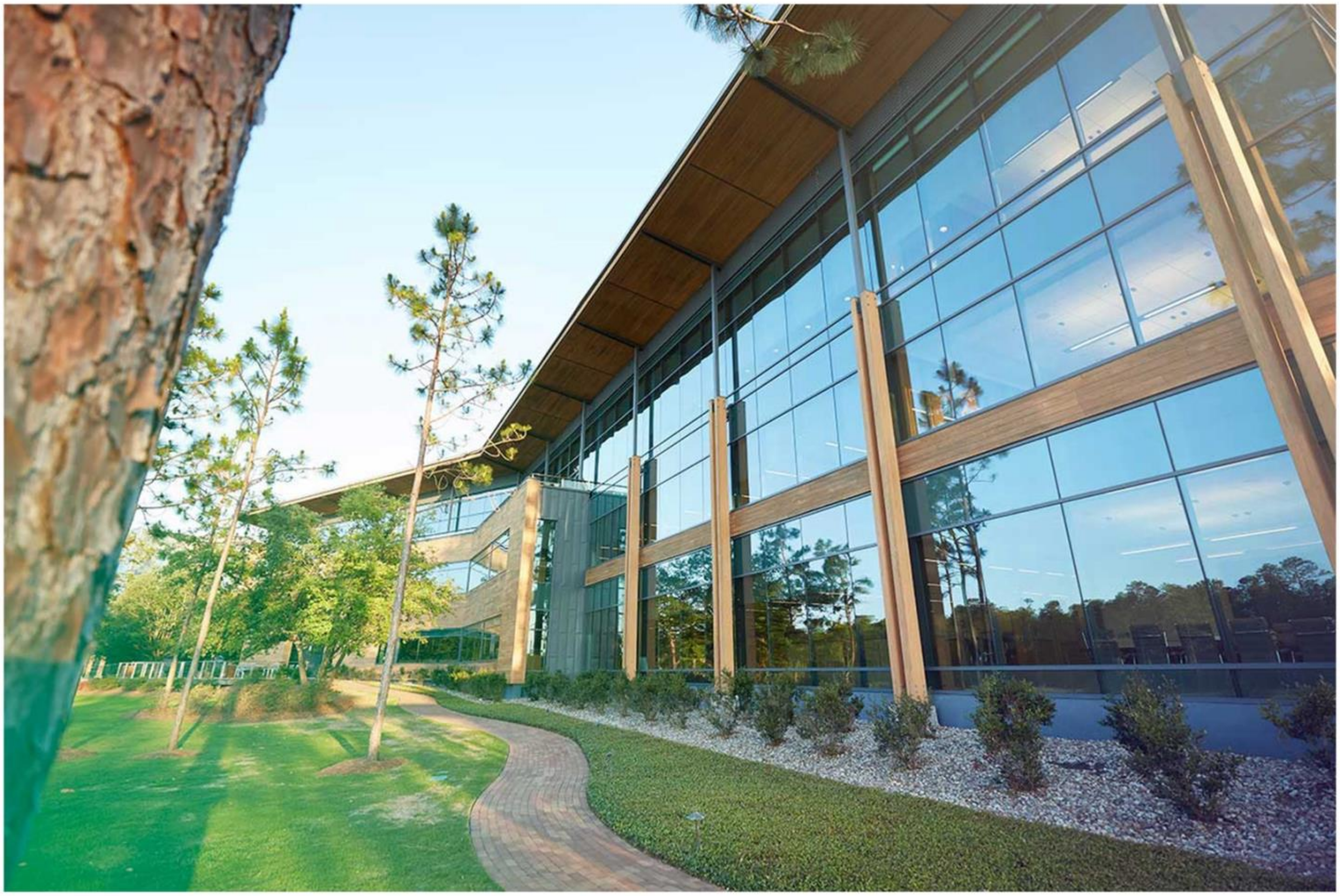
Live Oak BANCSHARES



CFO HIGHLIGHTS

Q1 2021

April 21, 2021

CFO Highlights: Q1 2021

We reported $0.88 earnings per diluted share and $39.4 million of net income before taxes for the first quarter of 2021. Our non-GAAP pre-tax pre-provision income increased to $44.1 million for the first quarter of 2021 from $43.2 million for the fourth quarter of 2020, a 2.0% increase. See the Appendix for a reconciliation of non-GAAP pre-tax pre-provision income to our reported balances.

Our focus on safety and soundness, profitability, and growth was evident in the results of the first quarter of 2021. Our credit performance remains strong as certain pressures associate with the COVID-19 pandemic began to ease. We continued to serve small businesses by providing access to funds through the Paycheck Protection Program ("PPP") during the first quarter of 2021.

At March 31, 2021, our total loan and lease portfolio consisted of 58.4% government guaranteed loans. The meaningful contribution of net interest income provided by this portfolio promotes earnings stability combined with a government guarantee. Cash, government guaranteed investments, and government guaranteed loans comprised 54.3% of total assets at the end of the first quarter, excluding PPP loans which carry a 100% government guarantee. We believe that the growth of our guaranteed loan portfolio through higher loan retention significantly increases financial and capital flexibility while providing quality returns. This flexibility remains a strength of our balance sheet model.

Our total portfolio of loans and leases held for investment and held for sale of $6.53 billion increased by $2.72 billion, or 71.3%, compared to the end of the first quarter of 2020 and $213.1 million, or 3.4%, compared to the prior quarter. Excluding PPP loans, our total portfolio of loans and leases increased by $1.27 billion, or 33.4%, compared to the end of the first quarter 2020 and $266.7 million, or 5.5%, compared to the prior quarter.

NOTABLE EVENTS

Vesting of Restricted Stock Unit Awards with Market Price Conditions

During the first quarter of 2021, a total of 397,500 restricted stock unit awards with market price conditions vested as the share price of Live Oak Bancshares, Inc. satisfied the target price criteria of $45, $48, and $50 per share. The vesting of the awards resulted in $2.6 million of additional noninterest expense and resulted in an income tax benefit of $4.3 million at the vest date due to fair value exceeding the compensation cost recognized for book purposes. This net positive impact to retained earnings was offset by a $9.7 million negative equity adjustment for the payment of cash in lieu of stock for employee tax obligations ("net settlement"). The target price criteria of $55 per share for the final tranche of restricted stock unit awards was met after March 31, 2021. As a result, in April 2021 178 thousand restricted stock unit awards vested with 99 thousand new shares of common stock issued after net settlement.

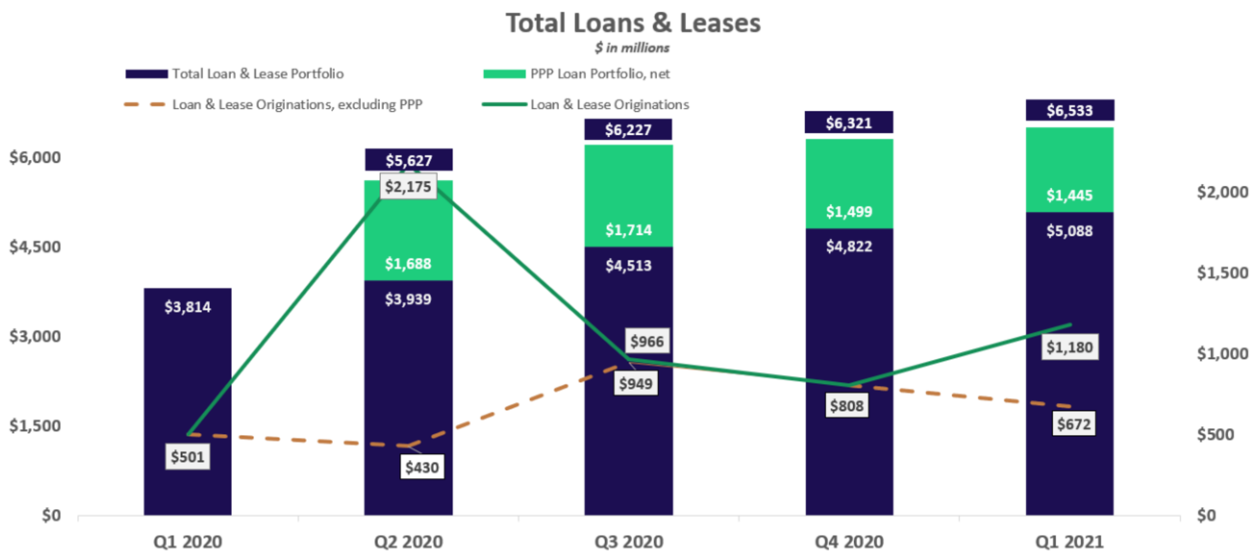
Retained Portion of Sold SBA and USDA Loans

Beginning with the first quarter of 2021, we have chosen not to elect fair value for the unguaranteed retained portion of all new government guaranteed loans sold. Under the fair value option, the unguaranteed retained portion is revalued each quarter. Accordingly, the legacy portfolio of loans at fair value will remain subject to continued quarterly fair value adjustments. Not electing fair value generally results in a larger discount on the retained loan portion thereby decreasing the net gain on sale revenue. The discount is subsequently accreted into interest income over the underlying loan's remaining term using the effective interest method. We changed this election for all new government guaranteed loans sold in alignment with our ongoing efforts to reduce volatility and drive more predictable revenue.

Renewable Energy Tax Equity Investment

We expanded our focus on renewable energy initiatives through the use of tax equity investments. Tax equity investments make funds available for renewable energy activities that are earmarked to reduce tax liabilities. During the first quarter of 2021, Live Oak fully funded an investment of $3.9 million in a solar project which generated a federal investment tax credit of $3.4 million, included in our estimated 2021 annual effective tax rate. The result of the investment was a $3.1 million impairment expense included in the first quarter's noninterest expense with an approximate total 2021 net tax benefit of $4.1 million. We estimate the internal rate of return for the project driven by the associated tax benefits to be just over 20% over an estimated six years.

LOAN & LEASE PORTFOLIO



Loan and lease originations, excluding PPP loans, during the first quarter of 2021 totaled $672.4 million compared to $808.0 million during the prior quarter. During the first quarter of 2021, we provided $507.8 million in loans through the PPP bringing total originations to $1.18 billion. SBA programs, excluding PPP, comprised 48.9% of our loan and lease origination activity during the first quarter of 2021 compared to 39.7% during the fourth quarter of 2020.

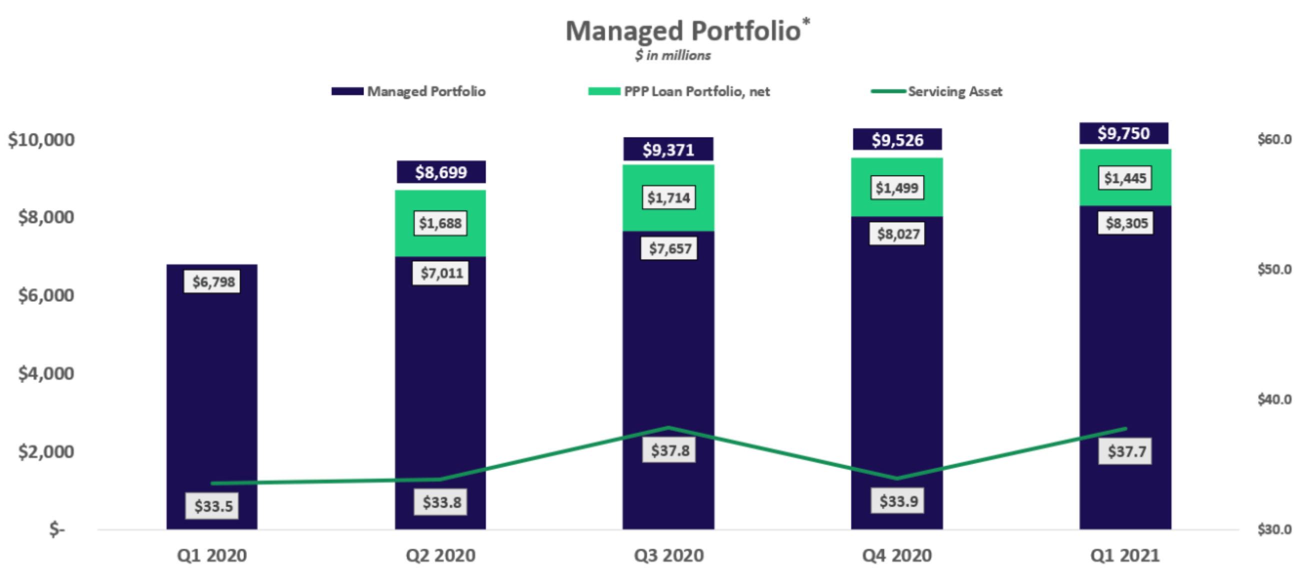
SUSTAINED RECURRING REVENUE

The recurring revenue streams of net interest income and servicing revenue grew to $76.4 million for the first quarter of 2021, a 64.0% increase compared to the first quarter of 2020. The growth of these revenue streams arises principally from our focus on guaranteed loan retention to maximize long term value. The recognition of PPP loan origination fee income enhanced loan revenue during the first quarter of 2021 as $551.7 million of PPP loans were forgiven. PPP loan origination activity during the first quarter of 2021 resulted in $20.9 million of net deferred fees at March 31, 2021, that we expect will accrete into interest income using the effective interest method.

Net interest income for the first quarter of 2021 increased to $70.0 million, a 74.2% increase over the first quarter of 2020. Our efforts in the PPP contributed an estimated $18.9 million to net interest income through the accretion of net deferred fees combined with a 1.0% annualized interest rate earned on those loans offset by interest expense for funding activities to support the PPP. Excluding the impact of PPP activities, net interest income for the first quarter of 2021 grew $10.9 million, or 27.2%, compared to the first quarter of 2020. The increase from the prior year was largely attributable to year-over-year growth in the loan and lease portfolio combined with the maturing and repricing of the certificates of deposit portfolio at lower rates. Compared to the fourth quarter of 2020, net interest income increased $4.0 million, or 8.5%, for the first quarter of 2021, excluding the impact of PPP activities.

On a linked quarter basis, the net interest margin increased 48 basis points to 3.81% for the first quarter of 2021. Compared to the fourth quarter of 2020, the yield on interest earnings assets increased 37 basis points to 4.81%. Net interest margin also benefitted from a decrease in the cost of interest-bearing liabilities of 11 basis points during the first quarter largely as a result of the runoff of higher rate maturing deposits. The yield on our loan and lease portfolio increased 44 basis points to 5.43% during the first quarter of 2021 from 4.99% during the fourth quarter of 2020. Excluding the impacts of PPP loans, we estimate the loan portfolio yield during the first quarter of 2021 was 5.30% compared 5.27% for the fourth quarter of 2020. We estimate the net interest margin, excluding the benefit of interest and fee income recognized on PPP loans and the estimated interest expense to support PPP activities during the first quarter of 2021, to be 3.46%, an increase of 13 basis points compared to the fourth quarter of 2020.

Servicing revenue on our sold and serviced loan portfolio amounted to $6.4 million during the first quarter of 2021, an increase of 0.2% from the first quarter of 2020 and a 3.7% decrease from the prior quarter. The revenue from our guaranteed sold-and-serviced loan portfolio has remained relatively unchanged as new loan sales have moderated in favor of retaining more loans and new additions to the portfolio have kept pace with amortization.



*Outstanding balance of sold and serviced loans plus loans and leases held for investment and held for sale.

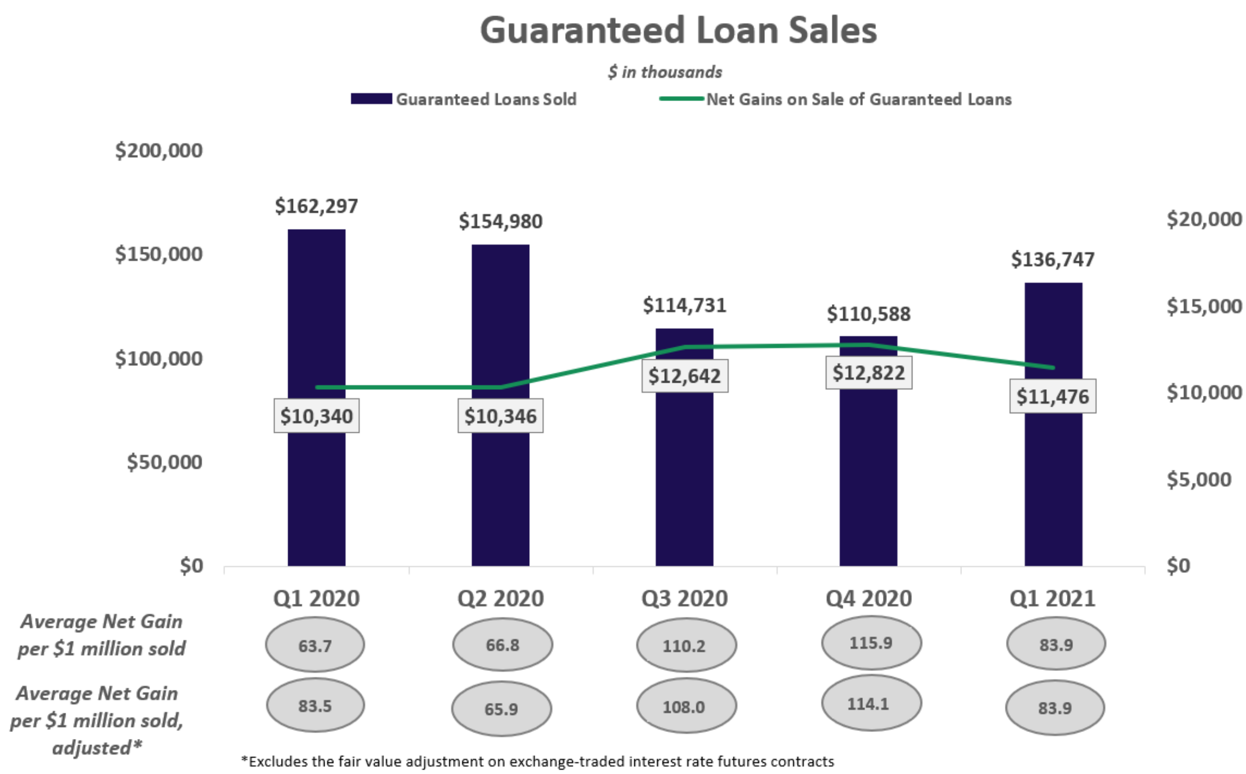
The managed portfolio, consisting of the outstanding balance of sold and serviced loans plus loans and leases held for investment and held for sale, at March 31, 2021, totaled $9.75 billion, a 43.4% increase over its level at March 31,

2020. The outstanding balance of PPP loans at March 31, 2021, totaled $1.44 billion, contributing to the growth in the managed portfolio. Excluding the PPP loans, the managed portfolio grew to $8.31 billion, or 22.2% over its level at March 31, 2020.

At the end of the first quarter of 2021, the carrying value of the servicing asset increased 12.6% compared to the end of the first quarter of 2020 to $37.7 million, representing 6.4% of our total equity. The revaluation of the loan servicing asset resulted in a gain for the first quarter of 2021 of $1.5 million compared to a loss of $4.7 million in the first quarter of 2020. The gain associated with the loan servicing asset revaluation was largely the result of improving market conditions in the first quarter of 2021, as discussed more fully below under Secondary Market Sales.

SECONDARY MARKET SALES

Our loan sale volumes in the first quarter of 2021 increased to $136.7 million compared to $110.6 million in the prior quarter. The gain on sale revenue from the sale of guaranteed loans for the first quarter of 2021 totaled $11.5 million. The average net gain per $1 million sold including the fair value adjustment was $83.9 thousand for the first quarter of 2021, $115.9 thousand for the fourth quarter of 2020 and $63.7 thousand for the first quarter of 2020. There were no active exchange-traded interest rate futures contracts during the first quarter of 2021. The average net gain per $1 million sold, excluding the fair value adjustment on exchange-traded interest rate futures contracts, was $83.5 thousand for the first quarter of 2020 and $114.1 thousand for the prior quarter. Our eligible for sale guaranteed loan portfolio totaled $1.75 billion as of March 31, 2021.



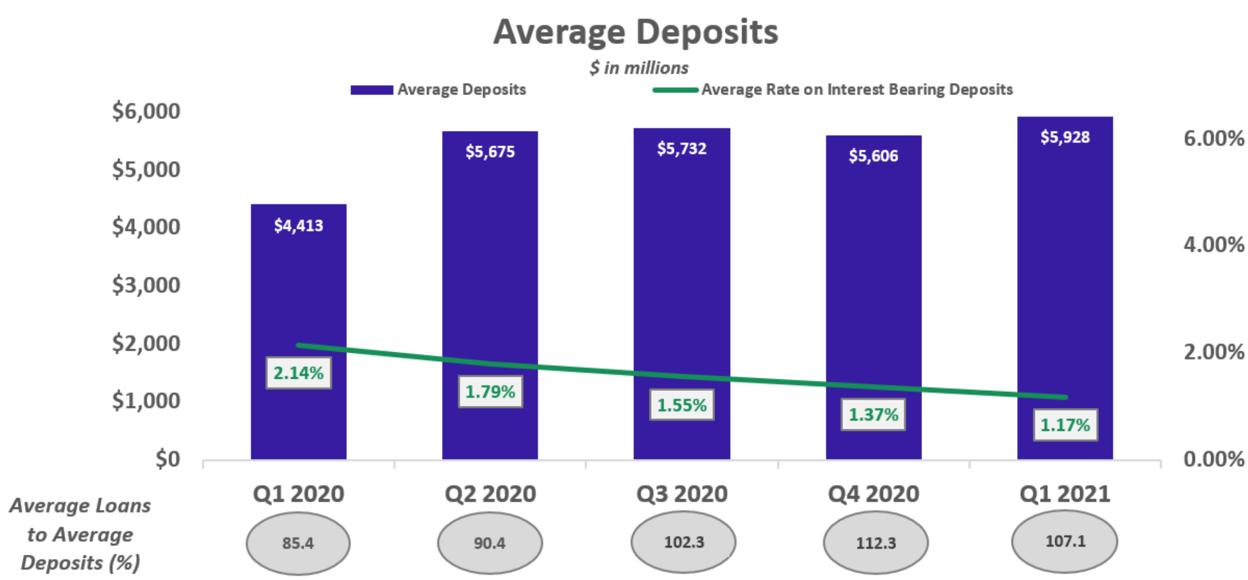
While our net gain per $1 million sold declined during the first quarter of 2021 compared to the prior quarter, the broader market improved from the prior quarter. More broadly, premiums paid for guaranteed loans increased in the first quarter of 2021 compared to the prior quarter with the benchmark trading for 10-year and 25-year Prime+2.75% quarterly adjusting loans trading at 116.3% and 122.6%, respectively, at March 31, 2021. As a comparison, the benchmark trading for 10-year and 25-year Prime+2.75% quarterly adjusting loans was 112.3% and 117.8%, respectively, at December 31, 2020.

The decrease in the average guaranteed loan sale revenue during the first quarter was primarily driven by management's decision, effective beginning with the first quarter of 2021, not to elect fair value for the unguaranteed retained portion of all new government guaranteed loans sold, as discussed more fully under the above heading entitled Retained Portion of Sold SBA and USDA Loans.

FINTECH INVESTMENTS

Our total noninterest income for the first quarter was impacted by investments in financial technology. The impact of our FinTech Activities resulted in a loss for the first quarter of 2021 totaling $902 thousand. This loss compares to a loss in the previous quarter of $7.9 million primarily driven by our pro-rata portion of tax expense arising from Apiture's conversion from a partnership to a corporation. The gains and losses are reflected in the equity method investments income (loss) and equity security investments gains (losses), net line items in the income statement. See Fintech Activities Impact on Consolidated Financials in the Appendix for more details.

DEPOSIT STRATEGY



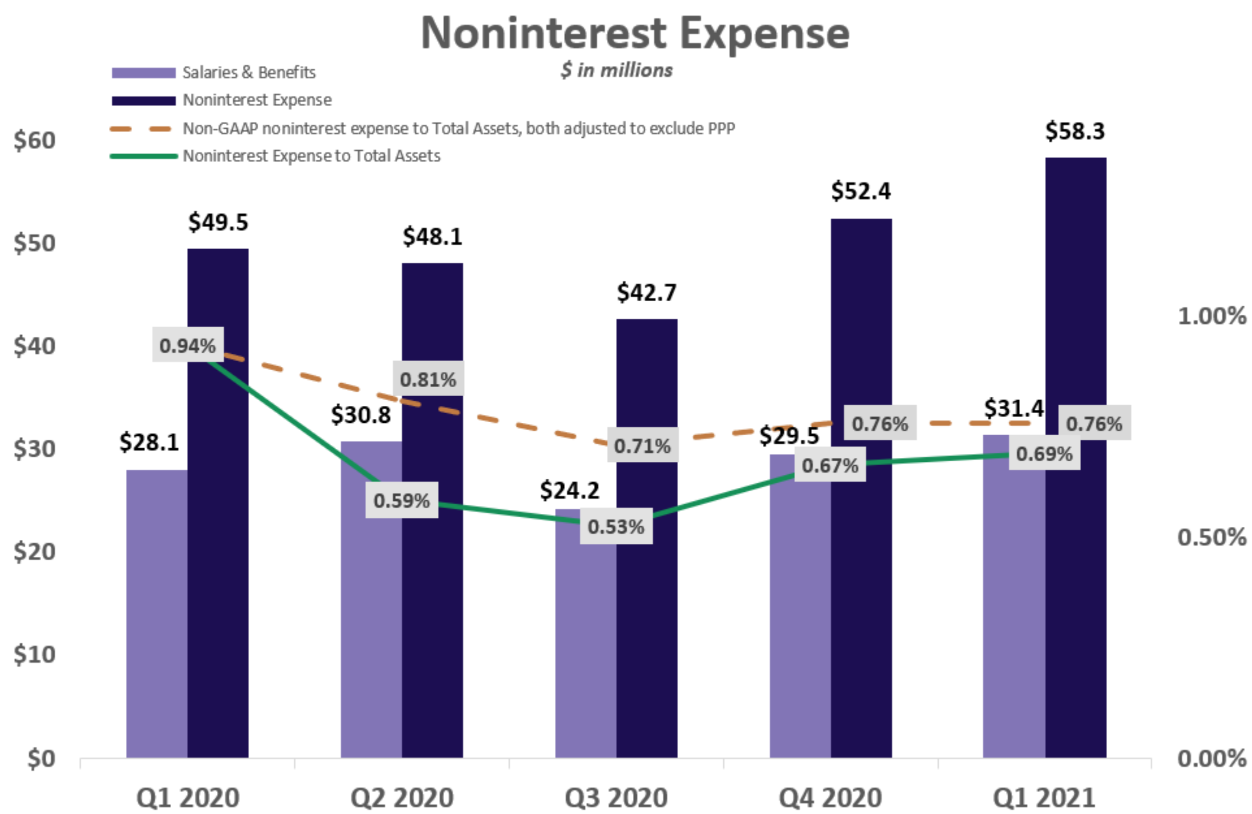
Average deposit balances at March 31, 2021, increased $1.5 billion, or 34.3%, to $5.93 billion compared to the average deposit balances during the first quarter of 2020. The average balance of deposits increased $322.0 million, or 5.7%, during the first quarter of 2021 compared to the prior quarter. Robust lending and loan portfolio growth drove our desire to grow our average deposits from the prior year. We continue to operate what we believe is an efficient branchless model for deposit gathering, at an incremental cost of 9 basis points during the first quarter of 2021, which allows us to offer competitive rates. The average rate on interest bearing deposits for the first quarter of 2021 decreased by 20 basis points from the prior quarter and 97 basis points from the first quarter of 2020. See the Appendix for more details on our incremental cost of deposit gathering.

SCALING THE PLATFORM

Our noninterest expense totaled $58.3 million for the first quarter of 2021, an increase of $5.8 million, or 11.1%, over the prior quarter. Our efforts in promoting the development of renewable energy sources were a large driver of the growth in noninterest expense during the first quarter of 2021 with $3.1 million of impairment recognition related to a new renewable energy tax credit investment, as discussed more fully under the above a heading entitled Renewable Energy Tax Equity Investment. Also related to our investment in renewable energy, and included in other expense, was a $904 thousand impairment expense on solar panels due to lower-than-expected energy production capability.

Professional services expense increased to $3.8 million for the first quarter of 2021 compared to $1.9 million for the first quarter of 2020 and $1.7 million for the fourth quarter of 2020. The increase for the first quarter of 2021 was largely driven by an increase in legal fees related to the previously disclosed letter we received in December 2020 and the resulting putative class action filed against us and other parties in March 2021.

Salaries and employee benefits for the first quarter of 2021 increased $1.9 million to $31.4 million compared from the prior quarter as we continued to expand its employee base consistent with our strategic and growth initiatives. The increase also includes the vesting of approximately 398 thousand restricted stock unit awards with market price conditions that increased both compensation expense and payroll tax expense by a combined $2.6 million, as discussed more fully under the above heading entitled Vesting of Restricted Stock Unit Awards with Market Price Conditions. The first quarter of 2021 also included a severance payment of $750 thousand.



The ratio of noninterest expense to total assets increased slightly to 0.69% as of March 31, 2021. Excluding the estimated impact of PPP activities from total assets, the ratio remained flat at 0.76% for the first quarter of 2021 compared to the fourth quarter of 2020. See the Appendix for a reconciliation of total assets and noninterest expense, as adjusted to exclude PPP activities.

LOAN CREDIT QUALITY & FAIR VALUE MARKS

Net recoveries of loans carried at historical cost totaled $984 thousand in the first quarter of 2021 compared to net charge-offs of $537 thousand in the prior quarter. The net recovery arose primarily from a previously charged-off hotel loan that paid off during the first quarter of 2021 and resulted in a recovery of $1.7 million. Net (recoveries) charge-offs as a percentage of average held for investment loans and leases carried at historical cost, annualized, for the quarters ended March 31, 2021, and December 31, 2020, were (0.09)% and 0.05%, respectively.

The recovery of loan and lease credit losses for the first quarter of 2021 totaled $873 thousand compared to provision of $8.6 million for the prior quarter and $11.8 million for the first quarter of 2020. The negative provision in the first quarter of 2021 was primarily the result of improved forecasts related to employment and default expectations as the economic outlook has improved significantly over that experienced in 2020, combined with the effects of above discussed significant recovery from a previously charged-off loan.

The allowance for credit losses ("ACL") on loans and leases totaled $52.4 million at March 31, 2021, compared to $52.3 million at December 31, 2020. The ACL on loans and leases as a percentage of total loans and leases held for investment carried at historical cost was 1.12% and 1.21% at March 31, 2021, and December 31, 2020, respectively. The ACL on loans and leases as a percentage of total loans and leases held for investment carried at historical cost was 1.81% at March 31, 2020. The decline to 1.12% at March 31, 2021, is heavily influenced by the 100% guaranteed PPP loans that comprise $1.45 billion of the $4.67 billion of loans classified as held for investment carried at historical cost combined with the earlier discussed elements that impacted the first quarter negative provision. The ACL on loans and leases as a percentage of total loans and leases held for investment carried at historical cost excluding the impact of PPP loans was 1.56% and 1.77% at March 31, 2021, and December 31, 2020, respectively.

Fair Value Marks

We recognized a net positive valuation adjustment for loans measured at fair value of $4.2 million in the first quarter of 2021 compared to a net negative adjustment of $4.8 million for the fourth quarter of 2020. The valuation adjustments arise largely from improving market conditions related to COVID-19. Beginning with the first quarter of 2021, we do not elect fair value for new retained portions of unguaranteed SBA and USDA loans, but the legacy fair value portfolio will continue to be valued each quarter. We expect volatility in valuation adjustments for loans measured at fair value to remain for the near term and gradually decline over the long term as this portfolio amortizes.

ACL and Unguaranteed Held for Investment Portfolio

The combined ACL and fair value mark on our total held for investment unguaranteed loan portfolio at amortized cost totaled $69.4 million at March 31, 2021, compared to $74.8 million at December 31, 2020, a decrease of $5.4 million. The combined ACL and fair value mark as a percentage of total held for investment unguaranteed loans at amortized cost declined to 2.6% at March 31, 2021, from 3.0% at December 31, 2020. As of March 31, 2021, the ACL on our total held for investment unguaranteed loan portfolio increased $54 thousand and the fair value mark on our total held for investment unguaranteed loan portfolio decreased $5.5 million compared to December 31, 2020. In addition, the unguaranteed exposure of nonperforming loans and leases at amortized cost, including loans accounted for under the fair value option, increased to $32.2 million at March 31, 2021, compared to $26.9 million at December 31, 2020.

NON-GAAP PRE-TAX PRE- PROVISION INCOME

For the first quarter of 2021, we reported $43.6 million income before taxes. Our non-GAAP pre-tax pre-provision income grew to $44.1 million for the first quarter of 2021 compared to $43.2 million for the prior quarter and $17.5 million for the first quarter of 2020. See the Appendix for a reconciliation of non-GAAP pre-tax pre-provision income to reported balances.

Our non-GAAP pre-tax pre-provision income adjusted for PPP activities totaled $23.9 million for the first quarter of 2021, compared to $27.8 million for the prior quarter and $17.5 million for the first quarter of 2020. Strong net interest income for the first quarter of 2021 was offset by a reduction in noninterest income and an increase in noninterest expense as discussed above. See the Appendix for a reconciliation of non-GAAP pre-tax pre-provision income adjusted for PPP activities to reported balances.

INCOME TAX EXPENSE

There was an income tax expense of $4.2 million in the first quarter of 2021 compared to a net income tax benefit of $17.6 million in the fourth quarter of 2020. The 9.6% effective tax rate for the first quarter of 2021 was principally driven by the above discussed vesting of restricted stock awards with market price conditions and renewable energy tax credit investments. The increase in income tax expense compared to the fourth quarter of 2020 was primarily a product of the vesting of restricted stock unit awards with market price conditions during the fourth quarter of 2020 that resulted in the recognition of a tax benefit of $22.1 million combined with an increase in taxable income in the first quarter of 2021 of $31.6 million.

APPENDIX

Reconciliation of reported balances to exclude PPP activities

	($ in thousands)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
	Loans held for sale, as reported	**996,050**	**976,594**	**1,190,200**	**1,175,470**	**1,076,741**
	Loans and leases held for investment, as reported	**2,817,405**	**4,650,030**	**5,037,094**	**5,144,930**	**5,456,754**
	Less PPP loans	-	1,688,104	1,713,695	1,498,617	1,445,058
	Total loan and lease portfolio, excluding PPP	**3,813,455**	**3,938,520**	**4,513,599**	**4,821,783**	**5,088,437**
	Outstanding balance of loans sold & serviced	**2,984,602**	**3,072,031**	**3,143,493**	**3,205,623**	**3,216,727**
	Managed portfolio, excluding PPP	**6,798,057**	**7,010,551**	**7,657,092**	**8,027,406**	**8,305,164**
a	**Total assets, as reported**	**5,273,569**	**8,209,154**	**8,093,381**	**7,872,303**	**8,417,875**
	PPP-related activities:					
	Cash and cash receivable	-	61,492	-	3,343	22,642
	Loans, net of unearned	-	1,688,104	1,713,695	1,498,617	1,445,058
	Allowance for credit losses	-	(1,565)	(2,636)	(2,297)	(2,218)
	Accrued interest receivable	-	3,289	7,696	10,558	9,568
	Estimated excess balance sheet liquidity arising from PPP	-	874,195	500,000	-	-
	Total adjustments for PPP activities	-	2,625,514	2,218,756	1,510,221	1,475,050
b	**Total Assets, as adjusted to exclude PPP**	**5,273,569**	**5,583,640**	**5,874,625**	**6,362,082**	**6,942,825**

Reconciliation of reported balances to non-GAAP items

	($ in thousands)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
	Net interest income, as reported	**40,161**	**40,898**	**51,363**	**62,301**	**69,950**
	Less PPP loan interest income	-	3,317	4,403	4,269	3,567
	Less loan deferred fees & costs amortized into interest income, net	-	5,380	9,183	13,310	17,178
	Add estimated interest expense on funding activity to support PPP activities	-	1,808	2,815	2,354	1,872
	Net interest income, as adjusted for PPP activities	**40,161**	**34,009**	**40,592**	**47,076**	**51,077**
	Total noninterest income, as reported	**5,742**	**22,411**	**47,044**	**10,803**	**31,057**
	Fair value adjustments:					
	Add loan servicing asset revaluation loss (gain)	4,692	1,571	(2,061)	5,756	(1,493)
	Add exchange-traded interest rate futures contracts loss (gain)(1)	3,209	(127)	(252)	(207)	-
	Add net loss (gain) on loans accounted for under the fair value option	10,638	1,089	(3,403)	4,759	(4,218)
	Add other losses (gains) on valuation adjustments(2)	176	(271)	(26)	1	(347)
	Total fair value adjustments	**18,715**	**2,262**	**(5,742)**	**10,309**	**(6,058)**
	Less gain (loss) on sale of aircraft	-	-	-	-	114
	Add losses (gains) from FinTech Activities(3)	2,370	2,303	(13,586)	7,856	902
	Non-GAAP noninterest income	**26,827**	**26,976**	**27,716**	**28,968**	**25,787**
	Less sales revenue from co-developed processing technology	-	2,457	-	217	-
	Non-GAAP noninterest income, as adjusted for PPP activities	**26,827**	**24,519**	**27,716**	**28,751**	**25,787**
c	**Total noninterest expense, as reported**	**49,491**	**48,100**	**42,650**	**52,435**	**58,272**
	Less loss on sale of aircraft	-	-	-	6	-
	Less impairment on aircraft held for sale	-	-	1,019	244	-
	Less renewable energy tax credit investment	-	-	-	-	3,127
	Less renewable energy tax credit lease receivable impairment	-	-	-	-	904
	Less compensation and payroll taxes related to restricted stock awards with market price conditions(4)	-	-	-	4,144	2,589
	Non-GAAP noninterest expense	**49,491**	**48,100**	**41,631**	**48,041**	**51,651**
	Less performance bonus related to PPP activities	-	7,150	-	-	-
	Add deferred salary expense related to PPP activities	-	(4,171)	(79)	-	(1,348)
d	**Non-GAAP noninterest expense, as adjusted for PPP activities**	**49,491**	**45,121**	**41,710**	**48,041**	**52,999**
	Net interest income, as reported	40,161	40,898	51,363	62,301	69,950
	Non-GAAP noninterest income	26,827	26,976	27,716	28,968	25,787
	Non-GAAP noninterest expense	49,491	48,100	41,631	48,041	51,651
	Non-GAAP pre-tax pre-provision income	**17,497**	**19,774**	**37,448**	**43,228**	**44,086**
	Net interest income, as adjusted for PPP activities	40,161	34,009	40,592	47,076	51,077
	Non-GAAP noninterest income, as adjusted for PPP activities	26,827	24,519	27,716	28,751	25,787
	Non-GAAP noninterest expense, as adjusted for PPP activities	49,491	45,121	41,710	48,041	52,999
	Non-GAAP pre-tax pre-provision income, as adjusted for PPP activities	**17,497**	**13,407**	**26,598**	**27,786**	**23,865**
c/a	**Noninterest Expense, as reported to Total Assets, as reported**	**0.94%**	**0.59%**	**0.53%**	**0.67%**	**0.69%**
d/b	**Non-GAAP noninterest expense, as adjusted for PPP activities to Total Assets, as adjusted to exclude PPP**	**0.94%**	**0.81%**	**0.71%**	**0.76%**	**0.76%**

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

LiveOak BANCSHARES

FinTech Activities Impact on Consolidated Financials
($ in thousands)

Actuals for the quarter ended March 31, 2021	**Banking Activities**	Apiture	Live Oak Ventures	Canapi Advisors	**FinTech Activities**	Other	**Consolidated, as reported**
Net interest income	$ 69,934	$ -	$ -	$ 122	$ 122	$ (106)	$ 69,950
Provision for credit losses	(873)	$ -	$ -	$ -	-	-	(873)
Noninterest income (loss)	30,524	$ (925)	$ (1,013)	$ 1,934	(4)	537	31,057
Noninterest expense	55,625	$ -	$ 71	$ 949	1,020	1,627	58,272
Income (loss) before income tax expense	**$ 45,706**	**$ (925)**	**$ (1,084)**	**$ 1,107**	**$ (902)**	$ (1,196)	**$ 43,608**

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	$ 194,992	$ -	$ -	$ -	$ -	$ (269)	$ 194,723
Provision for credit losses	40,658	-	-	-	-	-	40,658
Noninterest income (loss)	77,512	(11,398)	11,398	6,567	6,567	1,921	86,000
Noninterest expense	181,555	-	190	5,320	5,510	5,611	192,676
Income (loss) before income tax expense	**$ 50,291**	**$ (11,398)**	**$ 11,208**	**$ 1,247**	**$ 1,057**	$ (3,959)	**$ 47,389**

Actuals for the quarter ended December 31, 2020	**Banking Activities**	Apiture	Live Oak Ventures	Canapi Advisors	**FinTech Activities**	Other	**Consolidated, as reported**
Net interest income	$ 62,346	$ -	$ -	$ -	$ -	$ (45)	$ 62,301
Provision for credit losses	8,634	-	-	-	-	-	8,634
Noninterest income (loss)	16,670	(7,868)	(871)	2,422	(6,317)	450	10,803
Noninterest expense	48,567	-	24	1,515	1,539	2,329	52,435
Income (loss) before income tax expense	**$ 21,815**	**$ (7,868)**	**$ (895)**	**$ 907**	**$ (7,856)**	$ (1,924)	**$ 12,035**

Actuals for the quarter ended September 30, 2020	**Banking Activities**	Apiture	Live Oak Ventures	Canapi Advisors	**FinTech Activities**	Other	**Consolidated, as reported**
Net interest income	$ 51,389	$ -	$ -	$ -	$ -	$ (26)	$ 51,363
Provision for credit losses	10,274	-	-	-	-	-	10,274
Noninterest income (loss)	31,757	(902)	14,306	1,295	14,699	588	47,044
Noninterest expense	41,005	-	53	1,060	1,113	532	42,650
Income (loss) before income tax expense	**$ 31,867**	**$ (902)**	**$ 14,253**	**$ 235**	**$ 13,586**	$ 30	**$ 45,483**

Actuals for the quarter ended June 30, 2020	**Banking Activities**	Apiture	Live Oak Ventures	Canapi Advisors	**FinTech Activities**	Other	**Consolidated, as reported**
Net interest income	$ 41,064	$ -	$ -	$ -	$ -	$ (166)	$ 40,898
Provision for credit losses	9,958	-	-	-	-	-	9,958
Noninterest income (loss)	23,121	(1,276)	(865)	1,206	(935)	225	22,411
Noninterest expense	45,296	-	54	1,314	1,368	1,436	48,100
Income (loss) before income tax expense	**$ 8,931**	**$ (1,276)**	**$ (919)**	**$ (108)**	**$ (2,303)**	$ (1,377)	**$ 5,251**

Actuals for the quarter ended March 31, 2020	**Banking Activities**	Apiture	Live Oak Ventures	Canapi Advisors	**FinTech Activities**	Other	**Consolidated, as reported**
Net interest income	$ 40,193	$ -	$ -	$ -	$ -	$ (32)	$ 40,161
Provision for credit losses	11,792	-	-	-	-	-	11,792
Noninterest income (loss)	5,964	(1,352)	(1,172)	1,644	(880)	658	5,742
Noninterest expense	46,687	-	59	1,431	1,490	1,314	49,491
Income (loss) before income tax expense	**$ (12,322)**	**$ (1,352)**	**$ (1,231)**	**$ 213**	**$ (2,370)**	$ (688)	**$ (15,380)**

Incremental Cost of Deposit Gathering

	Three months ended March 31, 2021 ($ in Thousands)
Interest	$ 16,944
Personnel	824
Travel & Entertainment	-
Fraud Expense	-
Marketing Expense	4
Technology Expense	469
Other Expense	53
Total Direct Deposit Expenses	**$ 18,294**
Average Deposit Balances	**$ 5,863,931**

	Annualized Cost of Funds Three months ended March 31, 2021
Interest	1.17%
Personnel	0.06%
Travel & Entertainment	0.00%
Fraud Expense	0.00%
Marketing Expense	0.00%
Technology Expense	0.03%
Other Expense	0.00%
Cost of Funds % including Deposits Department	**1.26%**
Direct Noninterest Cost of Funds	**0.09%**

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Forward-Looking Statements

Information in this document 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;
- 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.