Live Oak Bancshares

First Quarter 2017

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:

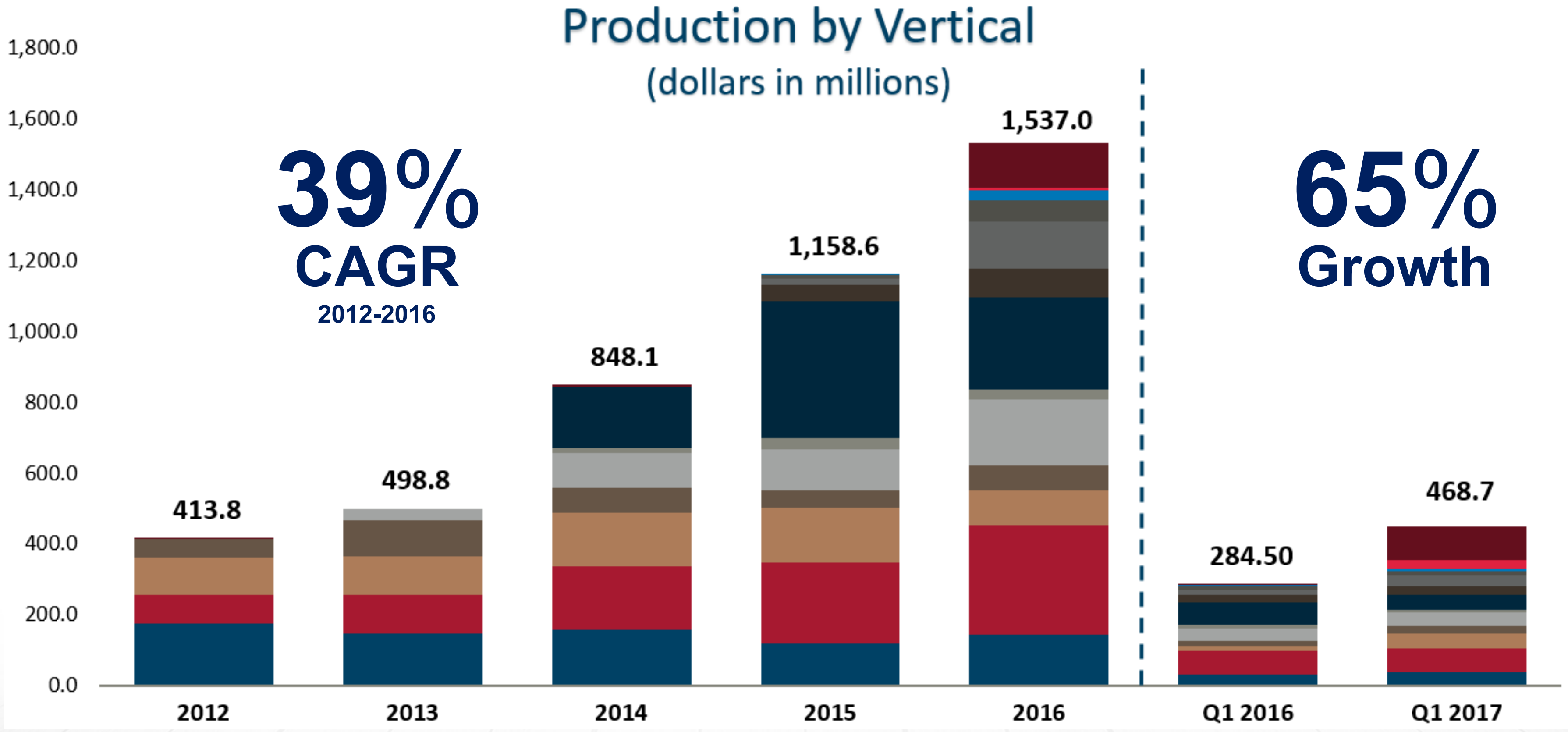
- deterioration in the financial condition of borrowers resulting in significant increases in the our loan losses and provisions for those losses and other adverse impacts to results of operations and financial condition;
- changes in SBA rules, regulations and loan products, including specifically the 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 losses;
- changes in loan underwriting, credit review or loss reserve policies associated with economic conditions, examination conclusions, or regulatory developments;
- 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, 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 conducts 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 lending programs and investment tax credits;
- changes in political and economic conditions;
- the impact of heightened regulatory scrutiny of financial products and services, primarily led by the Consumer Financial Protection Bureau;
- 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.

Q1 Highlights

- **Originations**
  - Increased 65% YOY. $285mm Q1/16 vs. $469mm Q1/17
  - New Verticals, New Products & Services, & New Businesses
- **Renewable Energy**
  - Lending—Utility Grade Solar projects: USDA REAP Program. Fully funding loans (70%-80% Guaranteed)
  - Investment Tax Credit—Live Oak Clean Energy Financing (LOCEF). Off-taker is typically a rated municipality/company. We own the asset and receive the tax credit.
- **Building the Loan Portfolio**
  - $175 million, Guaranteed 7a paper aka "Treasure Chest"
  - Recurring Revenue
- **"Fixing the Problem"**
  - How we will deliver a Next-Gen, Fully Digital Experience
  - Live Oak Ventures

Robust Loan & Lease Origination



LIVE OAK BANCSHARES

Powerful Scalability

2008-2014	2015-2016	2017
Live Oak 1.0	**Live Oak 2.0**	**Live Oak 3.0**
• Veterinary • Healthcare • Ind. Pharmacies • Death Care • Investment Adv. • Family Ent. • Chickens	• Wine & Craft Bev. • Self Storage • Ind. Insurance • Hotels • Renewable Energy • Government Contractors	• Solar Panel Leasing • Equipment Leasing • Educational Services • …more to come
FY 2017 Originations **$256** million	FY 2017 Originations **$194** million	FY 2017 Originations **$19** million

2017 Originations Expected to be $1.80 to $1.90 billion

Model Leverage | Mature vs. New Verticals

Profitability

Q1 2017 Originations (Verticals 1.0)

$256 million

Direct Operating Cost[1] per $1 million Originations

$23.3 thousand

Direct Operating[1] Cost to Revenue[2]

19%

Approximate Fully Funding Percentage of Originations

53%

Q1 2017 Originations (Verticals 2.0)

$194 million

Direct Operating Cost[1] per $1 million Originations

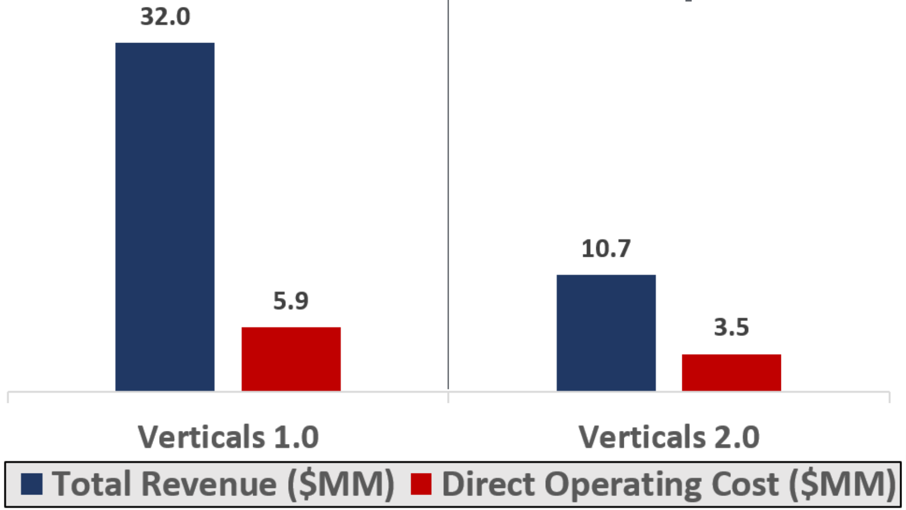
$15.7 thousand

Direct Operating[1] Cost to Revenue[2]

28%

Approximate Fully Funding Percentage of Originations

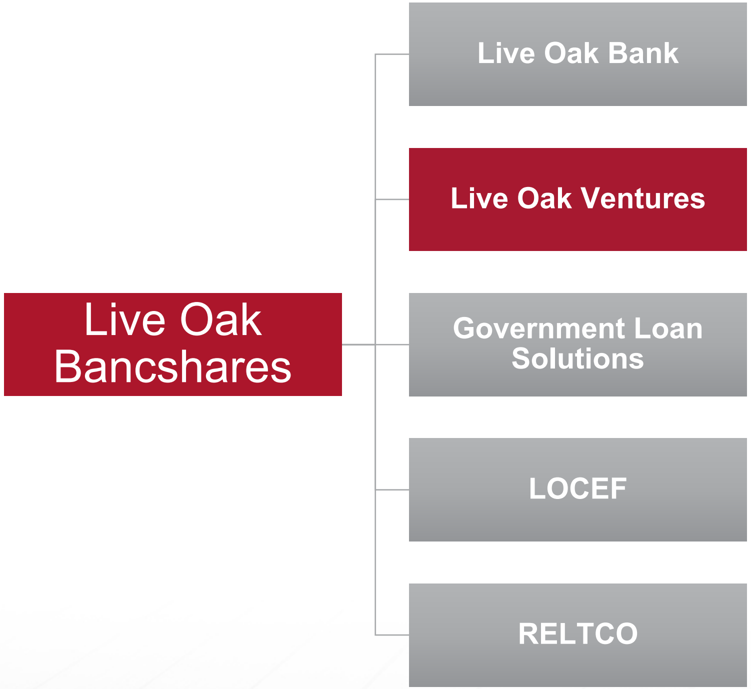
77%



1. Direct operating costs are management-defined direct costs associated with the origination and servicing activities of the Verticals which excludes corporate/support expenses of the Bank not allocated to specific verticals and Live Oak Banking Company expenses.
2. Revenue includes loan interest & fee income and the components of noninterest income related to the activities of Live Oak Banking Company.

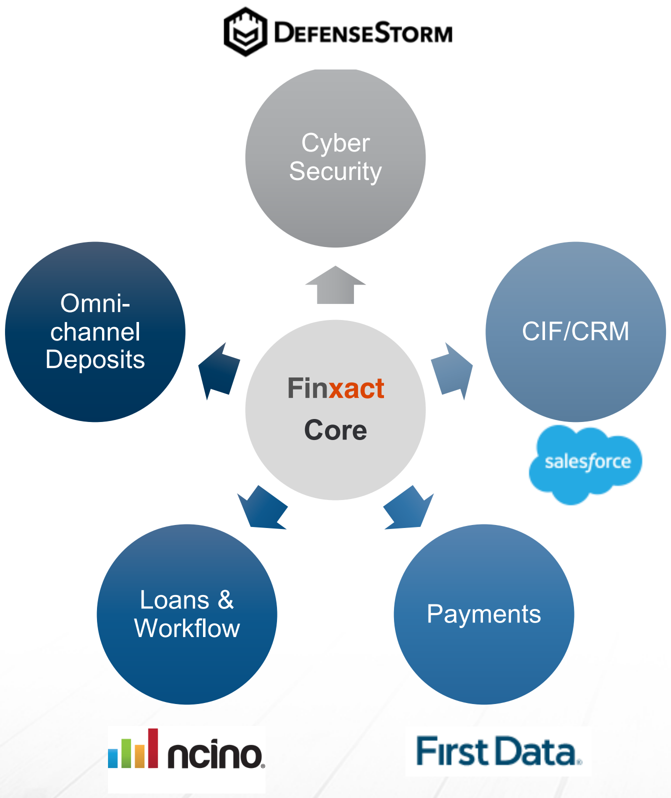
Live Oak Bancshares

Driving Greater Diversification & Profitability



- **Innovation History**
  - nCino Spinoff – Backend Workflow
  - Live Oak Rebuilt Development Staff
    - Customer Portal
    - Right Side of the Balance Sheet
- **Live Oak Ventures**
  - Solving the Problem
    - Financial Technology Innovation
    - API Banking
  - Redefining the Experience
    - Online Lending & Deposits
    - Integrated New Account Opening
    - Payments

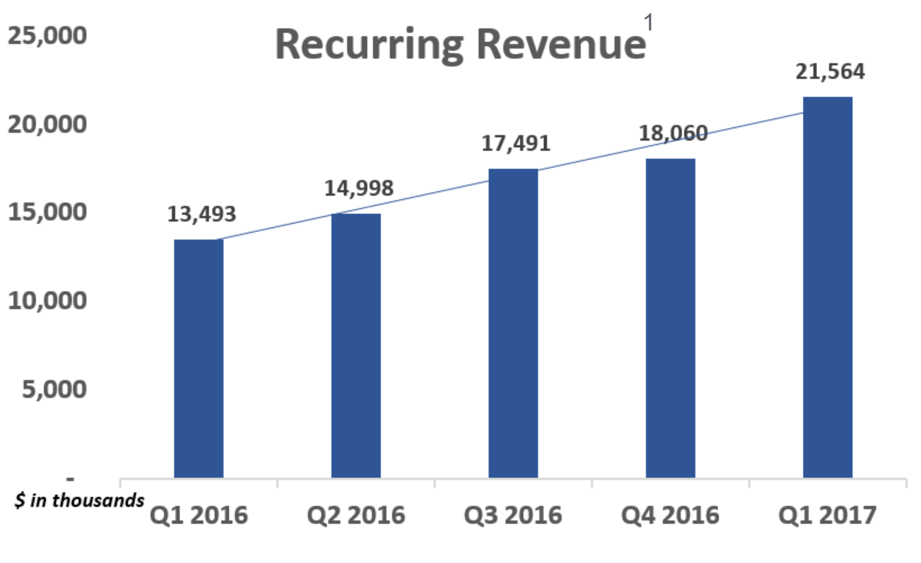
Live Oak Ventures



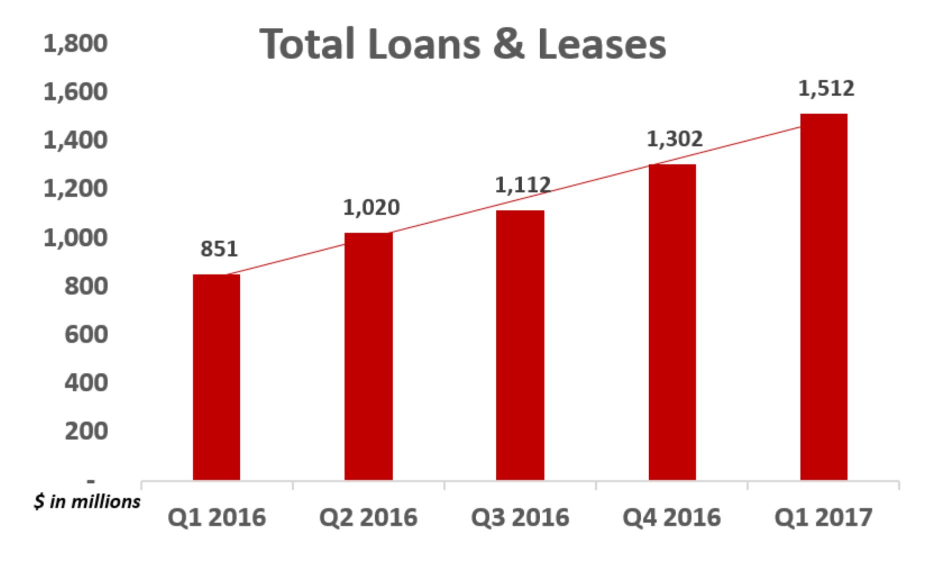
- **Minor Investments in Companies that "Solve the Problem"**
- **Common Characteristics**
  - Open and API Based
  - On new Cloud Operating Systems (Force.com, AWS, etc.)
  - Proven Leadership
- **Strong Investor Ecosystem**
  - Partner Banks
  - First Data
  - Insight Venture Partners
  - + …

Growing Recurring Revenue

Year-Over-Year
60%
Recurring Revenue[1] Growth



Year-Over-Year
78%
Portfolio Growth



1. *Net Interest Income plus Loan Servicing Revenue*

First Quarter 2017 | Financial Highlights

65%
increase versus Q1 2016
Loan & Lease Originations
$469 million

60%
increase versus Q1 2016
Net Interest Income & Loan Servicing Revenue
$22 million

78%
increase versus Q1 2016
Total Loans & Leases
$1.5 billion

34%
increase versus Q1 2016
Guaranteed Loans Sold
$209 million

60%
increase versus Q1 2016
Guaranteed Portion of HFS Loans (Note Amount)
$866 million

25 Percentage Points
improved diversification versus Q1 2016
% of SBA Loans to Total Originations
68%

Proactive Approach to Credit Decisions & Monitoring

Safety & Soundness

63 bps

Versus Q4 2016 of 39 bps

Annualized Net CO to Average Loans & Leases HFI

1.82%

Versus Q4 2016 of 2.01%

ALLL to Loans & Leases HFI

$3.9 million

Versus Q4 2016 of $5.0 million

Unguaranteed Nonperforming Loans & Foreclosures

20 bps

Versus Q4 2016 of 29 bps

Unguaranteed Nonperforming Loans & Foreclosures to Total Assets