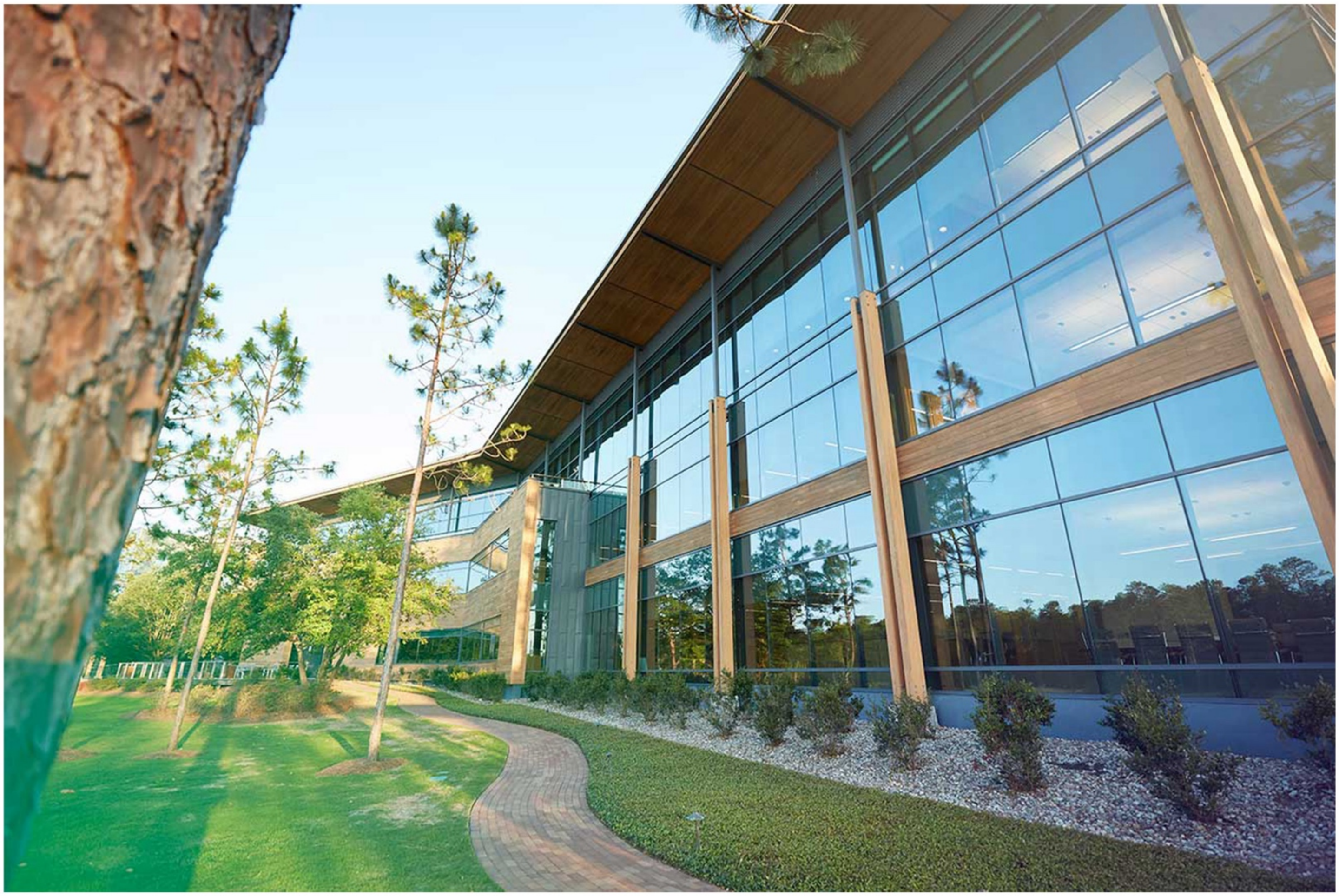


CFO HIGHLIGHTS

Q2 2021

July 21, 2021

CFO Highlights: Q2 2021

Live Oak Bancshares, Inc. ("the Company") reported $1.41 earnings per diluted share and $76.2 million of net income before taxes for the second quarter of 2021. Our non-GAAP pre-tax pre-provision income increased to $49.9 million for the second quarter of 2021 from $44.1 million for the first quarter of 2021, a 13.2% increase. See the Appendix for a reconciliation of non-GAAP pre-tax pre-provision income to our reported balances.

Our total portfolio of loans and leases held for investment and held for sale of $6.51 billion increased by $879.7 million, or 15.6%, compared to the end of the second quarter of 2020 and decreased by $27.2 million, or 0.4%, compared to the prior quarter. Excluding PPP loans, our total portfolio of loans and leases increased by $1.64 billion, or 41.7%, compared to the end of the second quarter 2020 and $490.6 million, or 9.6%, compared to the prior quarter.

At June 30, 2021, our total loan and lease portfolio consisted of 55.1% government guaranteed loans. The meaningful contribution of net interest income provided by this portfolio promotes earnings stability. Cash, government guaranteed investments, and government guaranteed loans comprised 53.3% of total assets at the end of the second quarter, excluding PPP loans. We believe that the growth of our guaranteed loan portfolio, excluding PPP, through higher loan retention significantly increases financial and capital flexibility while providing quality returns. This flexibility remains a strength of our balance sheet model.

NOTABLE EVENTS

Equity Security Investment Gain

We recognized a total gain of $44.1 million during the second quarter of 2021 related to our investment in Greenlight Financial Technologies, Inc. ("Greenlight"). This second quarter gain was the result of an increase in the observable fair market value of our investment through an arm's length sale of a portion of our shares of Greenlight.

Loan and Lease Originations

Our loan and lease originations, excluding PPP loans, totaled $1.11 billion for the second quarter of 2021. Excluding the PPP, this is a record level of quarterly originations and is the result of the investments in new lending initiatives and product strategies over the past few years. These investments and the resulting originations demonstrate our commitment to small business communities across the US.

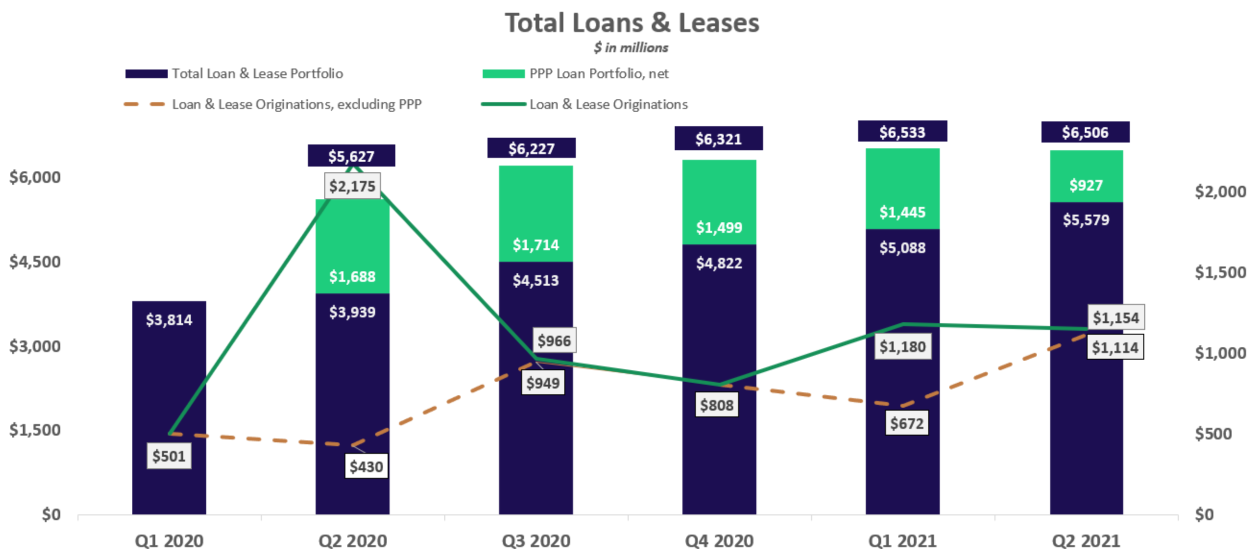
Sales of Guaranteed SBA and USDA Loans

The average net gain per million sold for the second quarter of 2021 increased to $114.8 thousand from $83.9 thousand for the first quarter of 2021. The increase is the result of premiums paid for guaranteed loans rising during the second quarter, driven in part by the fact that the SBA currently does not assess the ongoing guarantee fee typically paid by the purchaser on loans originated under the Economic Aid Act. The Economic Aid Act also provides up to a 90% guarantee on certain SBA loans which reduces the negative impact of the unguaranteed retained portion's discount, by dollar volume, on the net gain on sale revenue.

Vesting of Restricted Stock Unit Awards with Market Price Conditions

During the second quarter of 2021, a total of 178 thousand restricted stock unit awards with market price conditions vested as the share price of Live Oak Bancshares satisfied the target price criteria of $55 per share. The vesting of the awards resulted in $1.8 million of additional noninterest expense and resulted in an income tax benefit of $1.5 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 $5.4 million negative equity adjustment for the payment of cash in lieu of stock for employee tax obligations ("net settlement"). A total of approximately 99 thousand new shares of common stock were issued after net settlement, and this represents the final tranche of outstanding restricted stock unit awards with market price conditions for Live Oak Bancshares.

LOAN & LEASE PORTFOLIO



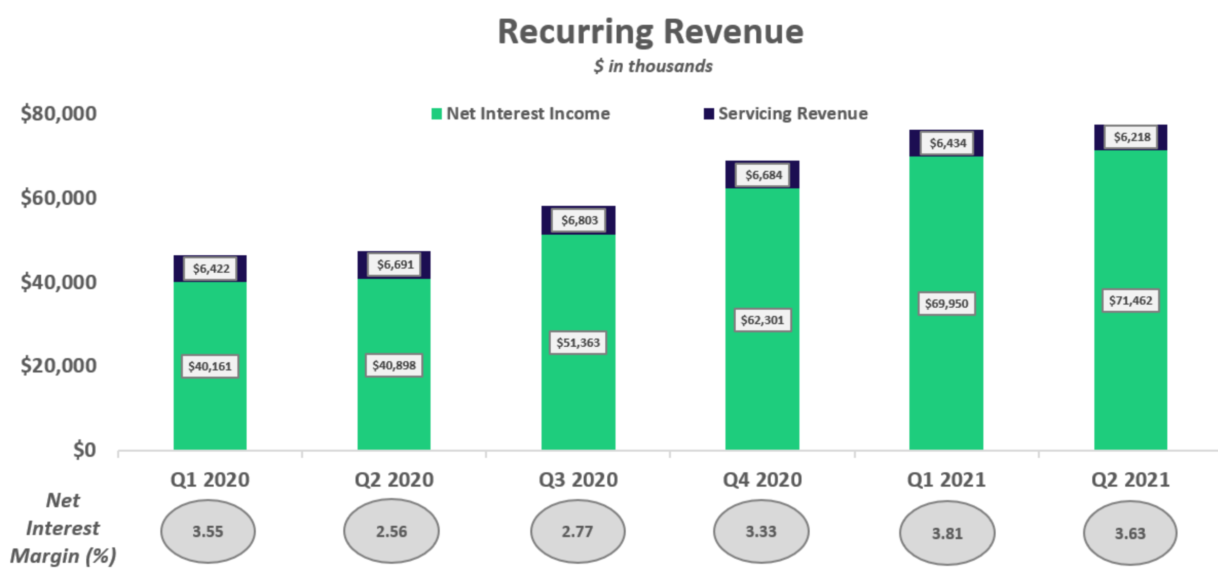
During the second quarter of 2021, total loan and lease originations were $1.15 billion including $39.7 million in loans through the PPP. Loan and lease originations, excluding PPP loans, during the second quarter of 2021 totaled $1.11 billion compared to $672.4 million during the prior quarter. SBA programs, excluding PPP, comprised 46.2% of our loan and lease origination activity during the second quarter of 2021 compared to 48.9% during the first quarter of 2021. Excluding PPP, the total loan and lease portfolio increased $490.6 million, or 9.6%, compared to the first quarter of 2021. Correspondingly, PPP loan balances declined largely through net forgiveness by $517.8 million, or 35.8%, compared to the first quarter of 2021.

SUSTAINED RECURRING REVENUE

The recurring revenue streams of net interest income and servicing revenue grew to $77.7 million for the second quarter of 2021, a 63.2% increase compared to the second quarter of 2020. The growth of these revenue streams arises principally from our focus on guaranteed loan retention that we believe maximizes long term value. The recognition of PPP loan origination fee income enhanced loan revenue during the second quarter of 2021 as $556.9 million of PPP loans were forgiven.

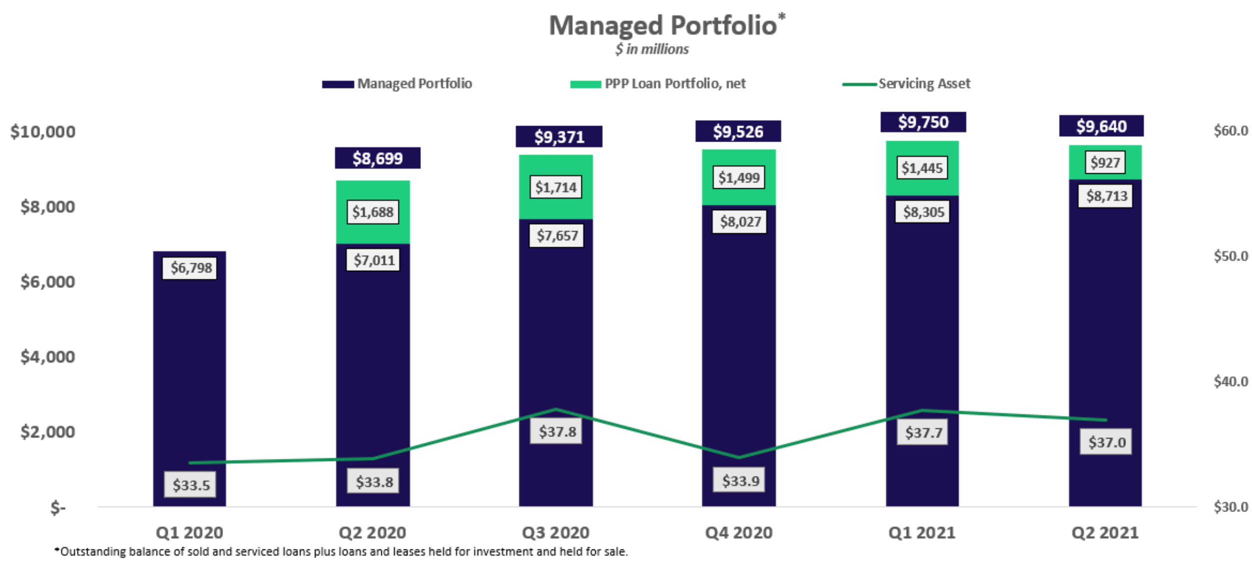
Net interest income for the second quarter of 2021 increased to $71.5 million, a 74.7% increase over the second quarter of 2020. Our efforts in the PPP contributed an estimated $12.8 million to net interest income through the accretion of net deferred fees combined with a 1.0% annualized interest rate 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 second quarter of 2021 grew $24.6 million, or 72.4%, compared to the second 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 maturation and repricing of the certificates of deposit portfolio at lower rates. Compared to the first quarter of 2021, net interest income increased $7.6 million, or 14.8%, for the second quarter of 2021, excluding the impact of PPP activities.

On a linked quarter basis, the net interest margin decreased 18 basis points to 3.63% for the second quarter of 2021. Net interest margin benefitted from a decrease in the cost of interest-bearing liabilities of 16 basis points during the second quarter largely as a result of the runoff of higher rate maturing deposits. The yield on our loan and lease portfolio decreased to 5.17% during the second quarter of 2021 from 5.43% during the first quarter of 2021. Excluding the impacts of PPP loans, we estimate the loan portfolio yield during the second quarter of 2021 was 5.26% compared to 5.30% for the first quarter of 2021. 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 second quarter of 2021, to be 3.63%, an increase of 17 basis points compared to the first quarter of 2021. Compared to the first quarter of 2021, the yield on interest earning assets decreased 34 basis points to 4.47% largely driven by lower PPP fee recognition.



Servicing revenue on our sold and serviced loan portfolio amounted to $6.2 million during the second quarter of 2021, a decrease of 7.1% from the second quarter of 2020 and a 3.4% decrease from the prior quarter. The revenue from our guaranteed sold-and-serviced loan portfolio has moderated as new loan sale volume has slowed in favor of retaining more loans and new additions to the portfolio have kept pace with amortization.

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 June 30, 2021, totaled $9.64 billion, a 10.8% increase over its level at June 30, 2020. The outstanding balance of PPP loans at June 30, 2021, totaled $927.3 million, contributing to the growth in the managed portfolio. Excluding PPP loans, the managed portfolio grew to $8.71 billion, or 24.3% over its level at June 30, 2020.



At the end of the second quarter of 2021, the carrying value of the servicing asset increased 9.3% compared to the end of the second quarter of 2020 to $37.0 million, representing 5.6% of our total equity. The revaluation of the loan servicing asset resulted in a loss for the second quarter of 2021 of $3.2 million compared to a gain of $1.5 million in the prior quarter and a loss of $1.6 million in the second quarter of 2020. The loss associated with the loan servicing asset revaluation was driven by the amortization of the serviced loan portfolio.

SECONDARY MARKET SALES

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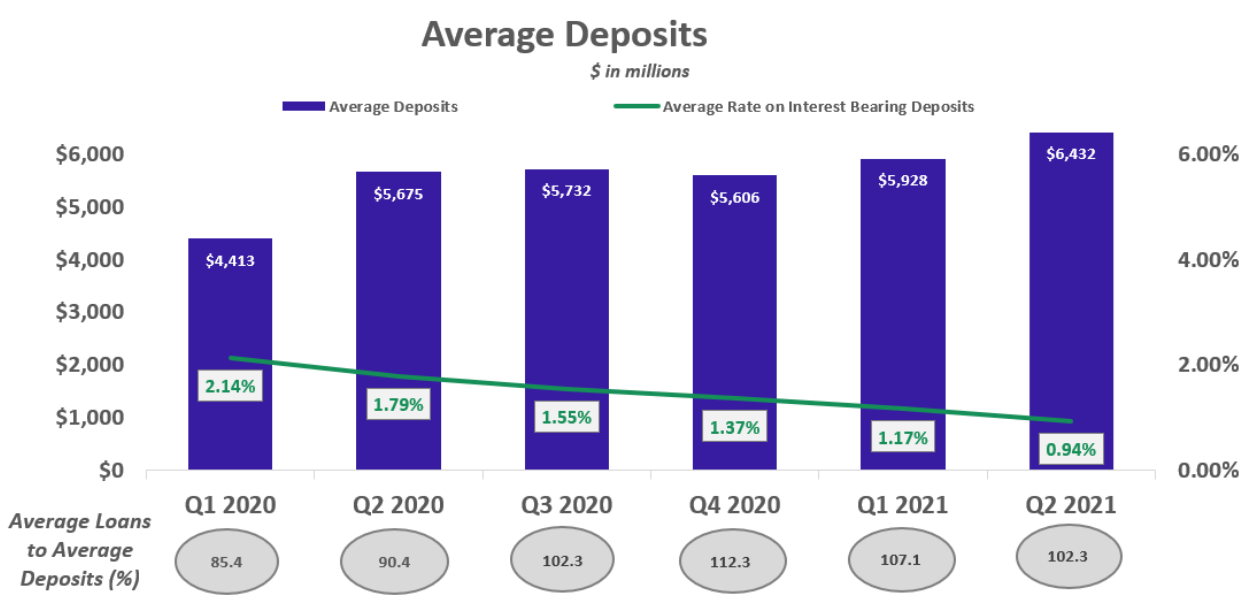
Our loan sale volumes in the second quarter of 2021 decreased to $130.9 million compared to $136.7 million in the prior quarter. The gain on sale revenue from the sale of guaranteed loans for the second quarter of 2021 totaled $15.0 million. The average net gain per $1 million sold including the fair value adjustment was $114.8 thousand for the second quarter of 2021, $83.9 thousand for the first quarter of 2021 and $66.8 thousand for the second quarter of 2020. As previously discussed under the above heading entitled Sales of Guaranteed SBA and USDA Loans, the net gain on sales of loans was positively influenced by certain provisions of the Economic Aid Act. Our eligible for sale guaranteed loan portfolio totaled $2.01 billion as of June 30, 2021.

In the broader market, the benchmark trading for 10-year and 25-year Prime+2.75% quarterly adjusting loans were trading at 116.4% and 122.6%, respectively, at June 30, 2021. As a comparison, the benchmark trading for 10-year and 25-year Prime+2.75% quarterly adjusting loans was 116.3% and 122.6%, respectively, at March 31, 2021.

FINTECH INVESTMENTS

Our total noninterest income for the second quarter was impacted by investments in financial technology. The impact of our Fintech Activities resulted in income for the second quarter of 2021 totaling $41.5 million. This income compares to a loss in the previous quarter of $902 thousand. The primary contributor to this income was a gain of $44.1 million associated with the Company's investment in Greenlight, as previously discussed under the above heading entitled Equity Security Investment Gain. Fintech 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.

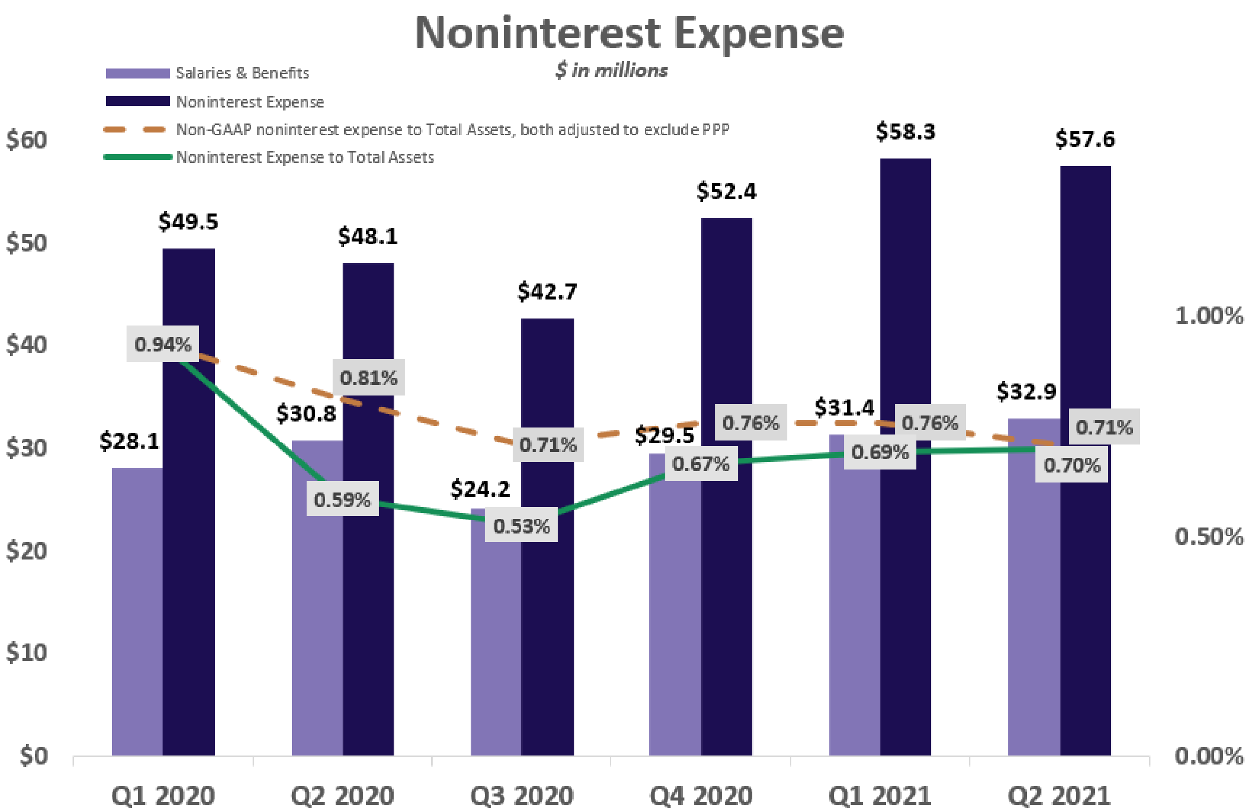
DEPOSIT STRATEGY



Average deposit balances during the second quarter of 2021 increased $757.1 million, or 13.3%, to $6.43 billion compared to the average deposit balances during the second quarter of 2020. The average balance of deposits increased $503.8 million, or 8.5%, during the second quarter of 2021 compared to the prior quarter. Robust lending and non-PPP loan portfolio growth drove our initiative to grow our average deposits from the prior year. The average rate on interest bearing deposits for the second quarter of 2021 decreased by 23 basis points from the prior quarter and 85 basis points from the second quarter of 2020. See the Appendix for more details on our incremental cost of deposit gathering.

SCALING THE PLATFORM

Our noninterest expense totaled $57.6 million for the second quarter of 2021, a decrease of $714 thousand, or 1.2%, from the prior quarter. The ratio of noninterest expense to total assets increased slightly to 0.70% as of June 30, 2021 from 0.69% as of March 31, 2021. Excluding the estimated impact of PPP activities from total assets and noninterest expense, the ratio was 0.71% for the second quarter of 2021 compared to 0.76% for the first quarter of 2021. See the Appendix for a reconciliation of total assets and noninterest expense, as adjusted to exclude PPP activities.



The increase in salaries and benefits of $1.5 million for the second quarter of 2021 compared to the first quarter of 2021 was primarily driven by an additional bonus accrual of $4.0 million for all employees other than executive officers and executive management arising from the earnings associated with gains from the Company's investment in Greenlight. This additional bonus expense in the second quarter of 2021 was partially offset by a decrease of $2.2 million in payroll taxes and stock compensation expense primarily arising from stock unit awards which vested in the first quarter of 2021.

The increase in salaries and benefits of $2.1 million compared to the second quarter of 2020 was primarily driven by a $3.2 million increase in salaries and benefits combined with $1.8 million of expenses arising from the vesting of 178 thousand restricted stock unit awards during the second quarter of 2021 with market price conditions that accelerated recognition of both stock compensation expense and payroll tax expense. Partially offsetting the increase over the second quarter of 2020 was a decrease of $3.0 million largely related to the 2020 performance bonus pool that was available to all employees other than executive officers for the second quarter of 2020.

The decrease in noninterest expense for the second quarter of 2021 compared to the first quarter of 2021 was also the result of impairment charges of $3.1 million related to renewable energy tax credit investments of $3.9 million in the first quarter of 2021. Investments of this nature are part of our ongoing initiative to promote renewable energy sources. The investment in the first quarter of 2021 generated a federal investment tax credit of $3.4 million which is included in our estimated annual effective tax rate.

LOAN CREDIT QUALITY & FAIR VALUE MARKS

During the second quarter of 2021, the Company recognized net charge-offs for loans carried at historical cost of $2.4 million compared to net recoveries of $984 thousand in the first quarter of 2021. Net charge-offs (recoveries) as a percentage of average held for investment loans and leases carried at historical cost annualized for the second quarter of 2021 was 0.21%.

The provision for loan and lease credit losses for the second quarter of 2021 totaled $7.8 million compared to a recovery of $873 thousand for the first quarter of 2021. The provision expense in the second quarter was primarily the result of the growing portfolio of loans and leases and the influence of current credit performance.

The allowance for credit losses (“ACL”) on loans and leases totaled $57.8 million at June 30, 2021, compared to $52.4 million at March 31, 2021. The allowance for credit losses on loans and leases as a percentage of total loans and leases held for investment carried at historical cost was 1.23% and 1.12% at June 30, 2021, and March 31, 2021, respectively. 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 1.50% and 1.56% at June 30, 2021, and March 31, 2021, respectively.

Fair Value Marks

We recognized a net positive valuation adjustment for loans measured at fair value of $1.1 million in the second quarter of 2021 compared to a net positive adjustment of $4.2 million for the first quarter of 2021. The valuation adjustments arise largely from the amortization of the portfolio of loans accounted for under the fair value option and 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 $72.6 million at June 30, 2021, compared to $69.4 million at March 31, 2021, an increase of $3.2 million. The combined ACL and fair value mark as a percentage of total held for investment unguaranteed loans at amortized cost declined to 2.5% at June 30, 2021, from 2.6% at March 31, 2021. As of June 30, 2021, the ACL on our total held for investment unguaranteed loan portfolio increased $5.9 million and the fair value mark on our total held for investment unguaranteed loan portfolio decreased $2.7 million compared to March 31, 2021. In addition, the unguaranteed exposure of nonperforming loans and leases at amortized cost, including loans accounted for under the fair value option, decreased to $29.7 million at June 30, 2021, compared to $32.2 million at March 31, 2021.

NON-GAAP PRE-TAX PRE- PROVISION INCOME

For the second quarter of 2021, we reported $76.2 million income before taxes. Our non-GAAP pre-tax pre-provision income grew to $49.9 million for the second quarter of 2021 compared to $44.1 million for the prior quarter and $19.8 million for the second 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 $37.0 million for the second quarter of 2021, compared to $23.9 million for the prior quarter and $13.4 million for the second quarter of 2020. 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 $12.6 million in the second quarter of 2021 compared to an income tax expense of $4.2 million in the first quarter of 2021. The 16.5% effective tax rate for the second quarter of 2021 was principally driven by the income tax benefits arising from the vesting of stock awards combined with renewable energy tax credit investments. The increase in income tax expense compared to the first quarter of 2021 was primarily a product of an increase in taxable income in the second quarter of 2021 of $32.6 million.

APPENDIX

Reconciliation of reported balances to exclude PPP activities

	($ in thousands)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
	Loans held for sale, as reported	**996,050**	**976,594**	**1,190,200**	**1,175,470**	**1,076,741**	**1,064,911**
	Loans and leases held for investment, as reported	**2,817,405**	**4,650,030**	**5,037,094**	**5,144,930**	**5,456,754**	**5,441,423**
	Less PPP loans	-	1,688,104	1,713,695	1,498,617	1,445,058	927,296
	Total loan and lease portfolio, excluding PPP	**3,813,455**	**3,938,520**	**4,513,599**	**4,821,783**	**5,088,437**	**5,579,038**
	Outstanding balance of loans sold & serviced	**2,984,602**	**3,072,031**	**3,143,493**	**3,205,623**	**3,216,727**	**3,134,068**
	Managed portfolio, excluding PPP	**6,798,057**	**7,010,551**	**7,657,092**	**8,027,406**	**8,305,164**	**8,713,106**
a	**Total assets, as reported**	**5,273,569**	**8,209,154**	**8,093,381**	**7,872,303**	**8,417,875**	**8,243,186**
	PPP-related activities:						
	Cash and cash receivable	-	61,492	-	3,343	22,642	4,589
	Loans, net of unearned	-	1,688,104	1,713,695	1,498,617	1,445,058	927,296
	Allowance for credit losses	-	(1,565)	(2,636)	(2,297)	(2,218)	(1,427)
	Accrued interest receivable	-	3,289	7,696	10,558	9,568	6,723
	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	937,181
b	**Total Assets, as adjusted to exclude PPP**	**5,273,569**	**5,583,640**	**5,874,625**	**6,362,082**	**6,942,825**	**7,306,005**

Reconciliation of reported balances to non-GAAP items

	($ in thousands)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
	Net interest income, as reported	**40,161**	**40,898**	**51,363**	**62,301**	**69,950**	**71,462**
	Less PPP loan interest income	-	3,317	4,403	4,269	3,567	3,201
	Less loan deferred fees & costs amortized into interest income, net	-	5,380	9,183	13,310	17,178	11,185
	Add estimated interest expense on funding activity to support PPP activities	-	1,808	2,815	2,354	1,872	1,551
	Net interest income, as adjusted for PPP activities	**40,161**	**34,009**	**40,592**	**47,076**	**51,077**	**58,627**
	Total noninterest income, as reported	**5,742**	**22,411**	**47,044**	**10,803**	**31,057**	**70,111**
	Fair value adjustments:						
	Add loan servicing asset revaluation loss (gain)	4,692	1,571	(2,061)	5,756	(1,493)	3,181
	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)	(1,135)
	Add other losses (gains) on valuation adjustments[2]	176	(271)	(26)	1	(347)	(371)
	Total fair value adjustments	**18,715**	**2,262**	**(5,742)**	**10,309**	**(6,058)**	**1,675**
	Less gain (loss) on sale of aircraft	-	-	-	-	114	-
	Add losses (gains) from FinTech Activities[3]	2,370	2,303	(13,586)	7,856	902	(41,543)
	Non-GAAP noninterest income	**26,827**	**26,976**	**27,716**	**28,968**	**25,787**	**30,243**
	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**	**30,243**
c	**Total noninterest expense, as reported**	**49,491**	**48,100**	**42,650**	**52,435**	**58,272**	**57,558**
	Less bonus related to FinTech investment gains	-	-	-	-	-	3,990
	Less loss on sale of aircraft	-	-	-	6	-	-
	Less impairment on aircraft held for sale	-	-	1,019	244	-	-
	Less renewable energy tax credit impairment	-	-	-	-	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	1,763
	Non-GAAP noninterest expense	**49,491**	**48,100**	**41,631**	**48,041**	**51,652**	**51,805**
	Less performance bonus related to PPP activities	-	7,150	-	-	-	-
	Add deferred salary expense related to PPP activities	-	(4,171)	(79)	-	(1,348)	(45)
d	**Non-GAAP noninterest expense, as adjusted for PPP activities**	**49,491**	**45,121**	**41,710**	**48,041**	**53,000**	**51,850**
	Net interest income, as reported	40,161	40,898	51,363	62,301	69,950	71,462
	Non-GAAP noninterest income	26,827	26,976	27,716	28,968	25,787	30,243
	Non-GAAP noninterest expense	49,491	48,100	41,631	48,041	51,652	51,805
	Non-GAAP pre-tax pre-provision income	**17,497**	**19,774**	**37,448**	**43,228**	**44,085**	**49,900**
	Net interest income, as adjusted for PPP activities	40,161	34,009	40,592	47,076	51,077	58,627
	Non-GAAP noninterest income, as adjusted for PPP activities	26,827	24,519	27,716	28,751	25,787	30,243
	Non-GAAP noninterest expense, as adjusted for PPP activities	49,491	45,121	41,710	48,041	53,000	51,850
	Non-GAAP pre-tax pre-provision income, as adjusted for PPP activities	**17,497**	**13,407**	**26,598**	**27,786**	**23,864**	**37,020**
c/a	**Noninterest Expense, as reported to Total Assets, as reported**	**0.94%**	**0.59%**	**0.53%**	**0.67%**	**0.69%**	**0.70%**
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%**	**0.71%**

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 June 30, 2021	Banking Activities	Apiture	Live Oak Ventures	Canapi Advisors	Fintech Activities	Other	Consolidated, as reported
Net interest income	$ 71,839	$ -	$ 3	$ 4	$ 7	$ (384)	$ 71,462
Provision for credit losses	$ 7,846	$ -	$ -	$ -	-	-	7,846
Noninterest income (loss)	$ 24,894	$ (992)	$ 42,167	$ 1,473	42,648	2,569	70,111
Noninterest expense	50,829	$ -	$ 122	$ 990	1,112	5,617	57,558
Income (loss) before income tax expense	**$ 38,058**	$ (992)	$ 42,048	$ 487	**$ 41,543**	$ (3,432)	**$ 76,169**
Actuals for the quarter ended March 31, 2021							
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							
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							
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							
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							
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)**

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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.