



FOURTH QUARTER 2024

January 23, 2025



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

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LIVE OAK BANCSHARES, INC.

(\$ IN MILLIONS, EXCEPT PER SHARE DATA)

	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2022	FY 2023	FY 2024
a Net Interest Income	\$ 89.6	\$ 90.1	\$ 91.3	\$ 97.0	\$ 97.5	\$ 327.5	\$ 345.3	\$ 375.9
Provision for Credit Losses	9.0	16.4	11.8	34.5	33.6	40.9	51.3	96.2
b Total Noninterest Income	30.1	26.1	34.2	32.9	30.6	238.0	111.7	123.8
a + b Total Revenue	119.7	116.2	125.5	129.9	128.1	565.5	457.0	499.7
c Total Noninterest Expense	93.2	77.7	77.7	77.6	81.3	314.2	322.9	314.2
a + b - c Pre-Provision Net Revenue (PPNR)	26.5	38.5	47.8	52.3	46.8	251.3	134.2	185.4
Income before Taxes	17.5	22.1	36.1	17.8	13.2	210.3	82.8	89.2
Net Income	16.2	27.6	27.0	13.0	9.9	176.2	73.9	77.5
Diluted Earnings per Share	\$ 0.36	\$ 0.60	\$ 0.59	\$ 0.28	\$ 0.22	\$ 3.92	\$ 1.64	\$ 1.69
Total Assets	\$11,271.4	\$11,505.6	\$11,868.6	\$12,607.3	\$12,943.4			
Total HFS and HFI Loans and Leases	9,020.9	9,223.3	9,535.8	10,191.9	10,579.4			
Allowance for Credit Losses on Loans and Leases	(125.8)	(139.0)	(137.9)	(168.7)	(167.5)			
All Other Assets	2,376.4	2,421.3	2,470.7	2,584.2	2,531.5			
Total Liabilities	10,368.8	10,577.9	10,907.5	11,599.6	11,939.9			
Total Deposits	10,275.0	10,383.4	10,707.0	11,400.5	11,760.5			
Borrowings	23.4	120.2	117.7	115.4	112.8			
Other Liabilities	70.4	74.2	82.7	83.7	66.6			
Total Shareholders' Equity	902.7	927.7	961.0	1,007.8	1,003.5			
Net Interest Margin	3.32 %	3.33 %	3.28 %	3.33 %	3.15 %	3.87 %	3.35 %	3.27 %
Effective Tax Rate	7.6 %	(24.8)%	25.2 %	27.0 %	25.6 %	16.2 %	10.8 %	13.2 %

Business momentum continues to build

Milestone year of record loan production

Positive operating leverage driven by revenue growth

Elevated provision from strong growth and macroeconomic factors

Investing in "good costs"

2024 EARNINGS SUMMARY

EPS	- Diluted EPS of \$1.69, up 3% vs. PY - Strong PPNR growth offset by elevated provision
PPNR	- Adjusted PPNR¹ of \$191 million, up 24% vs. PY - Adjusted total revenue¹ up 11% vs. PY - Adjusted expenses¹ up 4% vs. PY
Loan growth	\$5.2 billion record annual loan production, up 31% vs. PY - Annual loan balance growth of \$1.6B or 17%
Deposit growth	- Customer deposit growth up 13% vs. PY despite increased competition - Checking balances of \$212 million
Provision	- Total provision \$96 million, +87% vs. PY, due to strong growth and macroeconomic factors - Reserve coverage relatively steady over the last five quarters
TBV ¹ growth	Up 9% vs PY

RECORD YEAR OF LOAN ORIGINATIONS IN 2024

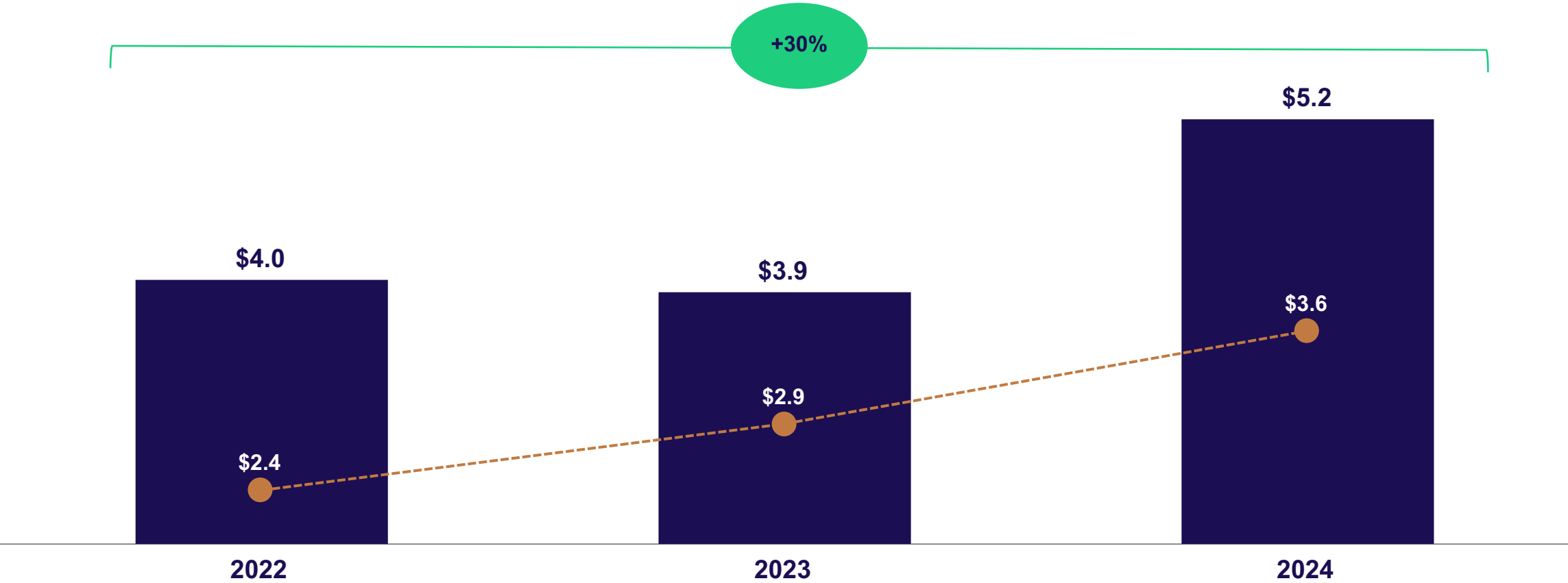
AND YET PIPELINE REMAINS NEAR ALL-TIME HIGHS AT \$3.6 BILLION

YoY Loan Production & Loan Pipeline

\$ in billions

■ Production

● Pipeline



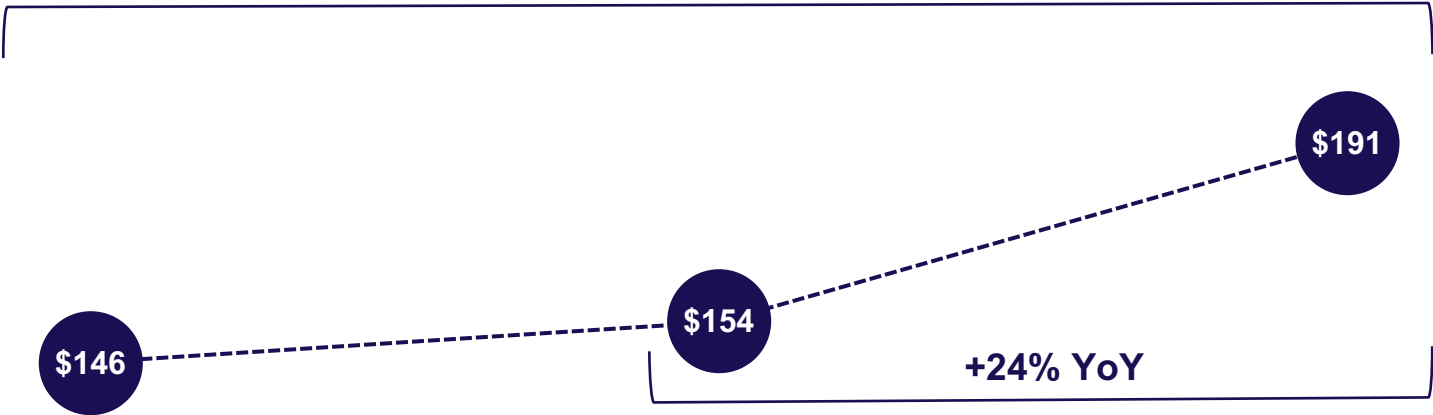
LIVE OAK'S CORE BUSINESS GENERATING IMPROVED LEVERAGE

Live Oak Core Operating Leverage

\$ in millions

--●-- Adjusted PPNR¹

+31% since FY 2022



	2022	2023	2024	% CHANGE 2022-2024	% CHANGE 2023-2024
Adjusted Total Revenue ¹	\$428	\$455	\$505	+18%	+11%
Adjusted Noninterest Expense ¹	\$283	\$301	\$314	+11%	+4%

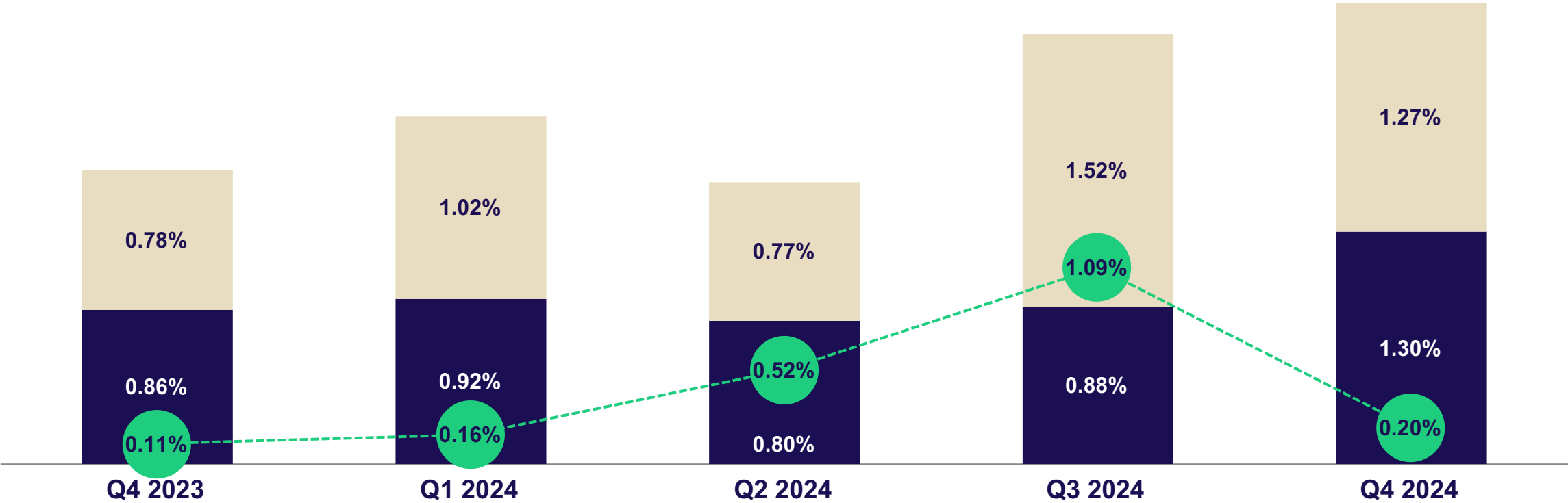
KEY CREDIT TRENDS ON UNGUARANTEED LOAN PORTFOLIO

34% OF TOTAL PORTFOLIO IS GOVERNMENT GUARANTEED

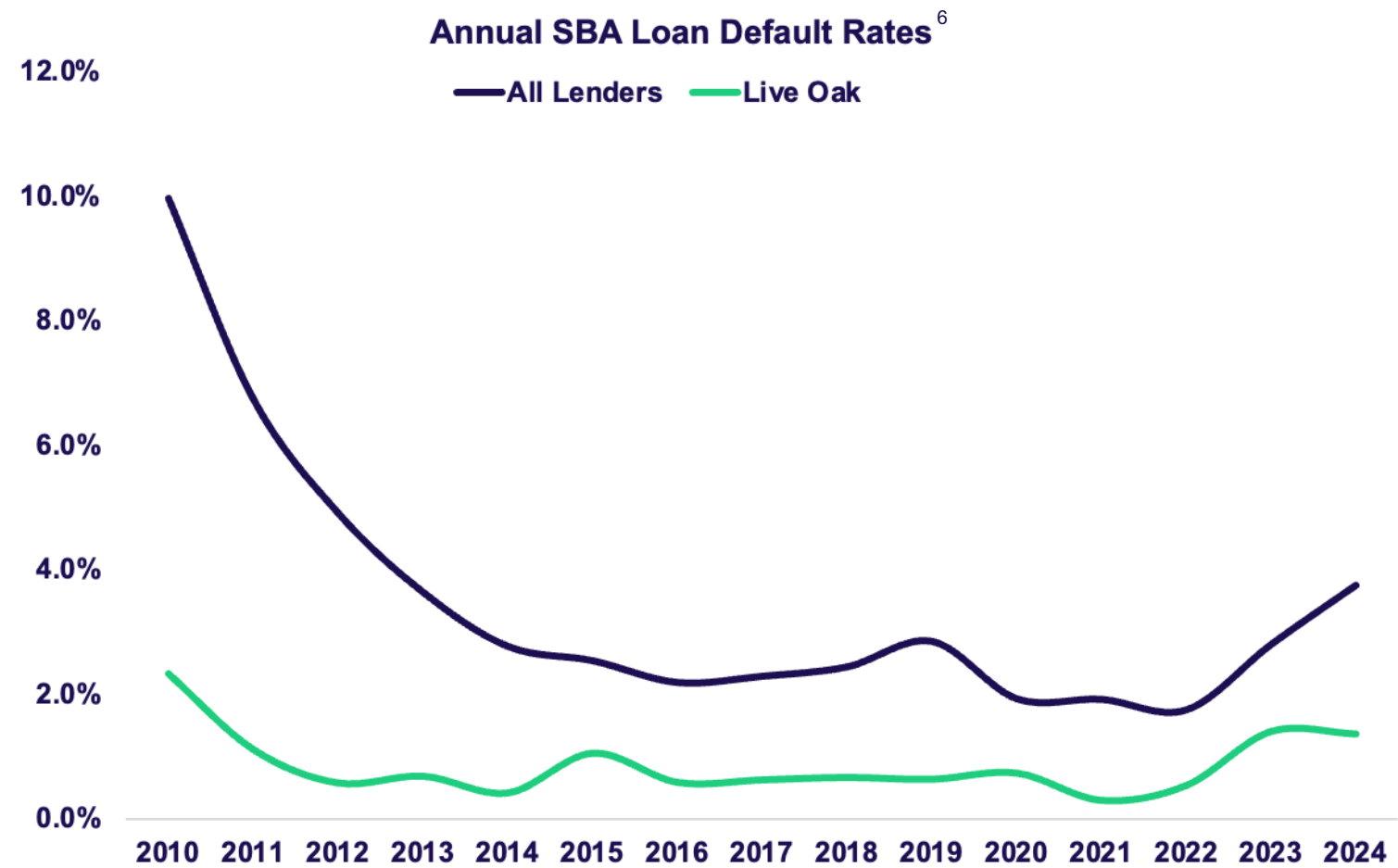
LATER STAGE CREDIT MIGRATION IN SECOND HALF OF 2024, PAST DUES DOWN MEANINGFULLY IN Q4

Credit Trends

Classified, nonaccruals^{2, 3} Classified, but still accruing^{2, 4} Over 30 days past due^{2, 5}



LIVE OAK SBA CREDIT TRENDS REMAIN BETTER THAN OTHER LENDERS



Source: Lumos Technologies, Inc., SBA 7a Program Data.

Lending pipelines at all-time highs

Live Oak Express (small dollar SBA) ramping up

Checking relationships building

Commercial Banking efforts scaling

Infrastructure investments enabling growth

FINANCIAL HIGHLIGHTS

Q4 2024 EARNINGS RESULTS

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		Q4 2024 CHANGE VS.		
\$ in millions		Q4 2024	Q3 2024	Q4 2023
	Net interest income	\$ 97	\$—	\$8
	Noninterest income	\$ 31	\$(2)	\$—
a	Total revenue	\$ 128	\$(2)	\$8
b	Noninterest expense	\$ 81	\$4	\$(12)
a-b	PPNR	\$ 47	\$(6)	\$20
	Provision for credit losses	\$ 34	\$(1)	\$25
	Net income before tax	\$ 13	\$(5)	\$(4)
	Income tax expense	\$ 3	\$(1)	\$2
	Net income	\$ 10	\$(3)	\$(6)
	Diluted EPS	\$ 0.22	\$(0.06)	\$(0.14)

		CHANGE FROM		
		Q4 2024	Q3 2024	Q4 2023
	ROE	3.85%	(136) bps	(351) bps
	ROA	0.31%	(12) bps	(27) bps
	Net interest margin	3.15%	(18) bps	(17) bps
	Efficiency ratio ¹	63.4%	373 bps	(1,443) bps
	Common equity tier 1 capital	11.0%	(15) bps	(69) bps
	TBV per share ¹	\$ 22.05	(1)%	9%
	Loan and lease originations	\$ 1,421	(19)%	45%
	Period-end total loan and lease portfolio	\$ 10,579	4%	17%
	Period-end total deposits	\$ 11,760	3%	14%

Key Highlights

- Soundness**
- 2.37% unguaranteed ACL to unguaranteed loans and leases⁷
 - 2:1 liquidity capacity to uninsured deposits, 86% of deposits insured

- Profitability**
- PPNR -11% LQ, +77% PYQ
 - NII flat LQ, +9% PYQ
 - TBV¹ per share -1% LQ, +9% PYQ

- Growth**
- \$1.42 billion loan production
 - Loan and Lease balances +4% LQ
 - Checking balances +46% LQ

Notable Items

Line Item	Q4 2024	Q3 2024
Noninterest Income		\$2.4 million gain on sale of fixed asset
Noninterest Expense	\$1.2 million investment tax credit impairment	

Q4 EARNINGS SUMMARY

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EPS	• Diluted EPS of \$0.22 • Healthy PPNR offset by elevated provision
PPNR	• Adjusted PPNR¹ of \$53 million, flat compared to LQ and up 15% PYQ • Adjusted total revenue¹ up 2% LQ and 11% PYQ • Adjusted expenses¹ up 3% LQ, up 9% PYQ
Loan growth	• 8% LQ before loan sales • \$1.4B loan production quarter • Quarterly loan balance growth of \$388 million
Deposit growth	• Customer deposit growth up 1% LQ despite seasonal business outflows • Checking balances of \$212 million, +46% LQ
Provision	• \$34 million, down 3% LQ • Reserve levels relatively steady over last five quarters
TBV¹ growth	• Down 1% LQ and up 9% PYQ

STRONG LOAN ORIGATION PLATFORM DRIVING GROWTH

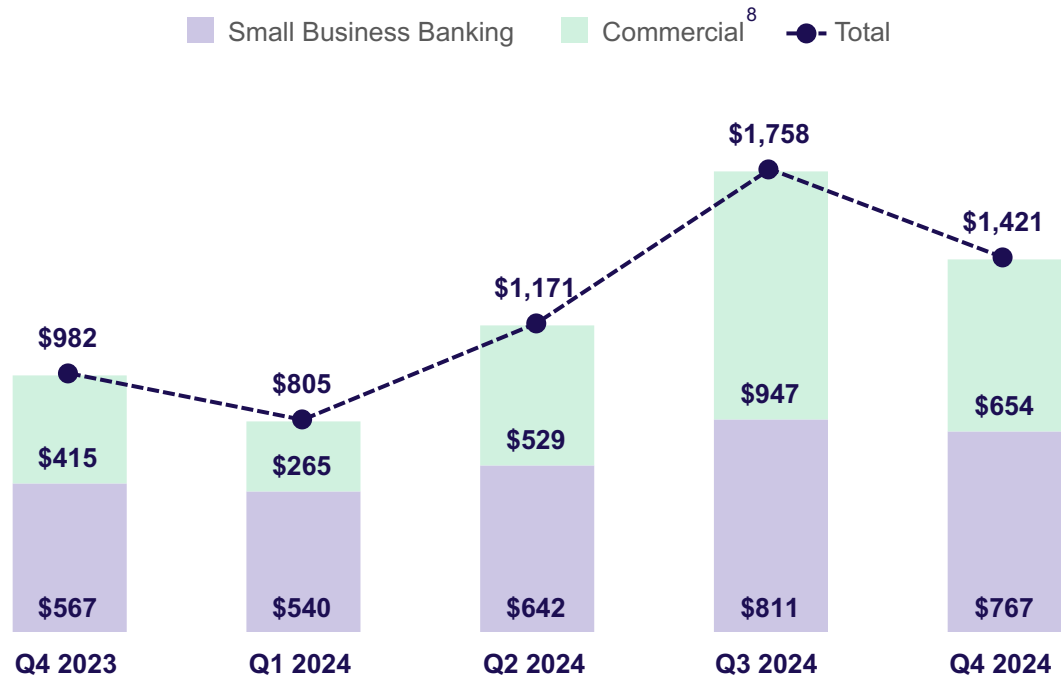
YTD 2024 vs. YTD 2023 Origination Growth by Vertical

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



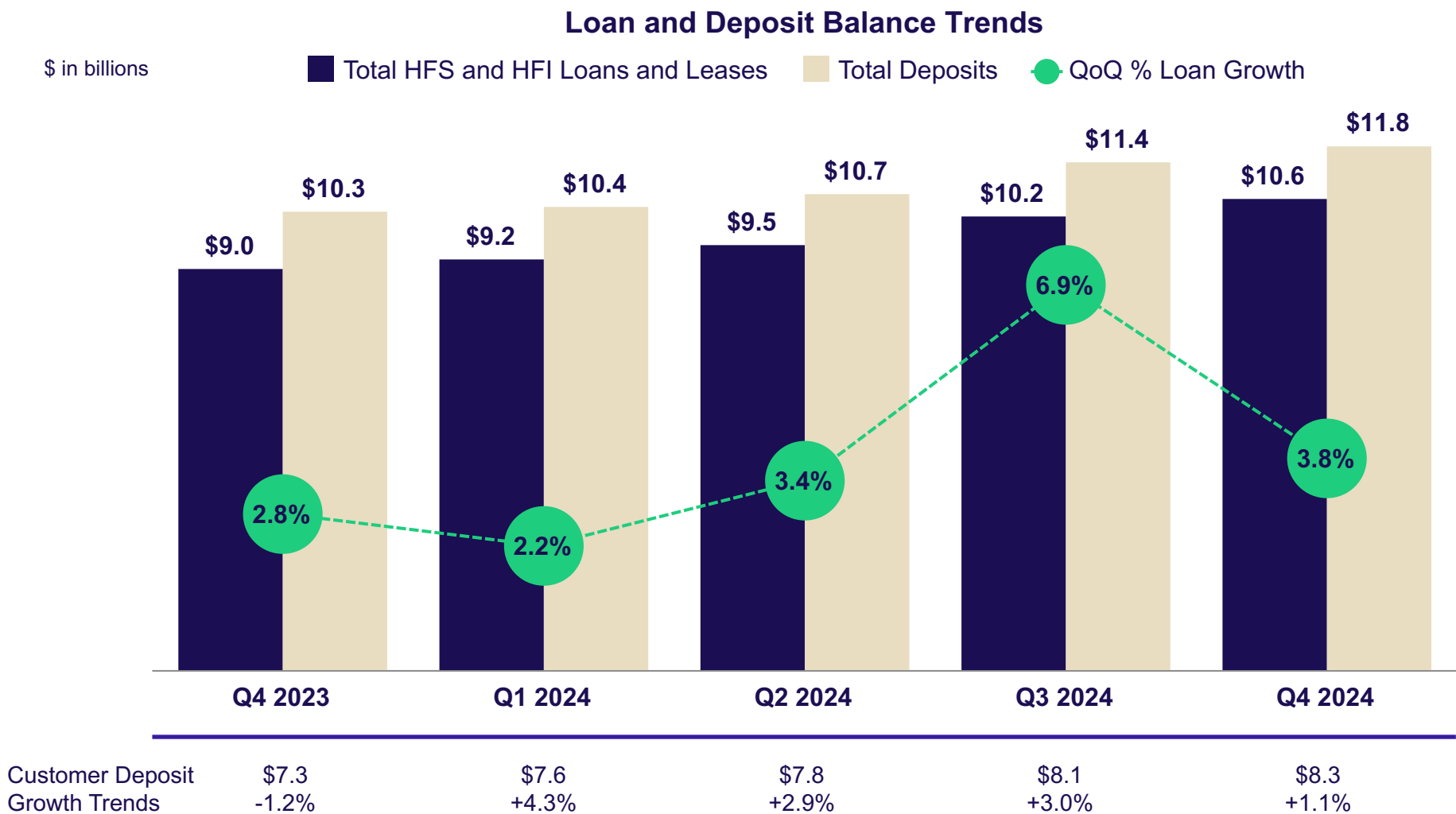
Quarterly Production Trend

\$ in millions



\$ in millions	Q4 LOANS OUTSTANDING ⁹	Q4 2024 ORIGINATIONS	
		\$	Q4 2024 vs. Q4 2023 % Change
Small Business Banking	\$6,930	\$767	35 %
Commercial ⁸	3,686	654	58

STRONG BALANCE SHEET GROWTH TRENDS CONTINUE

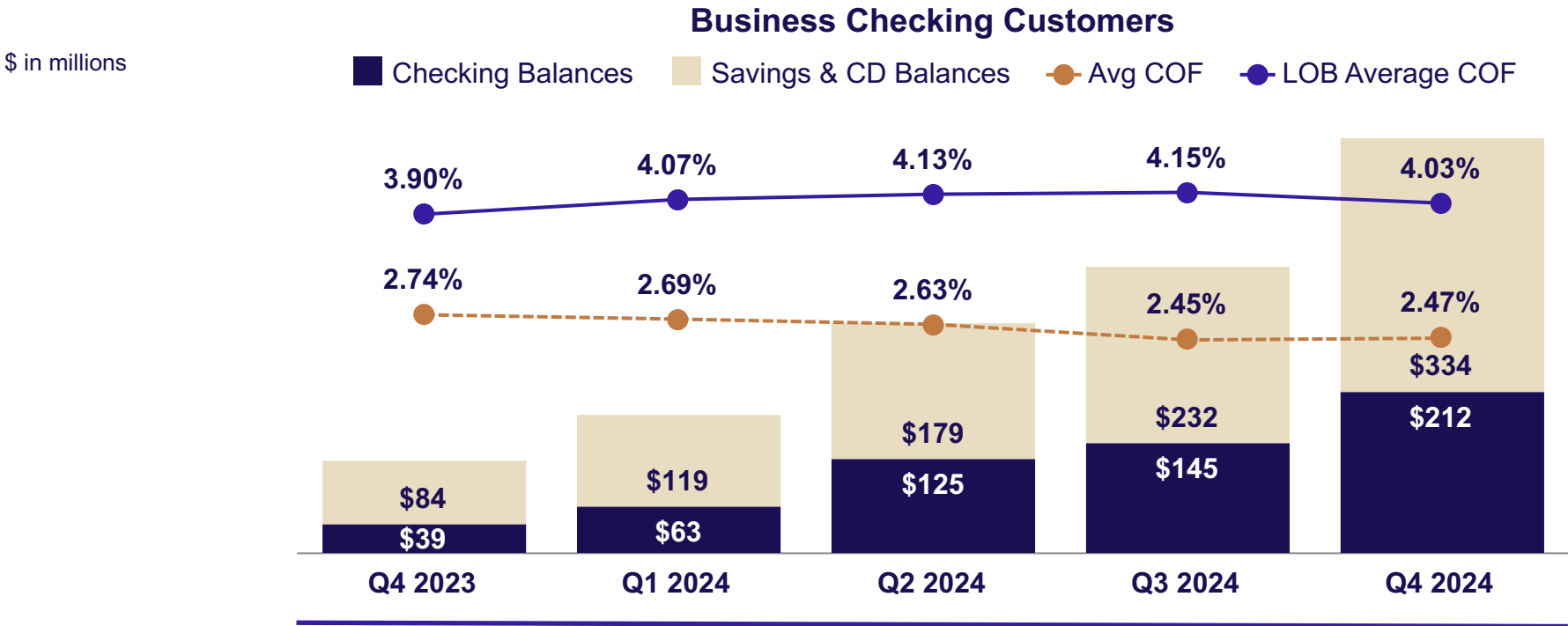


Key Highlights

- Strong, consistent QoQ loan and deposit growth
- \$1.4 billion in Q4 and \$5.2 billion FY 2024 of loan production drives elevated loan growth: +4% LQ and +17% PYQ
- +1% LQ and +13% PYQ growth in total customer deposits

BUSINESS CHECKING SPOTLIGHT

CHECKING ACCOUNTS BUILDING DEEPER, MORE PROFITABLE RELATIONSHIPS



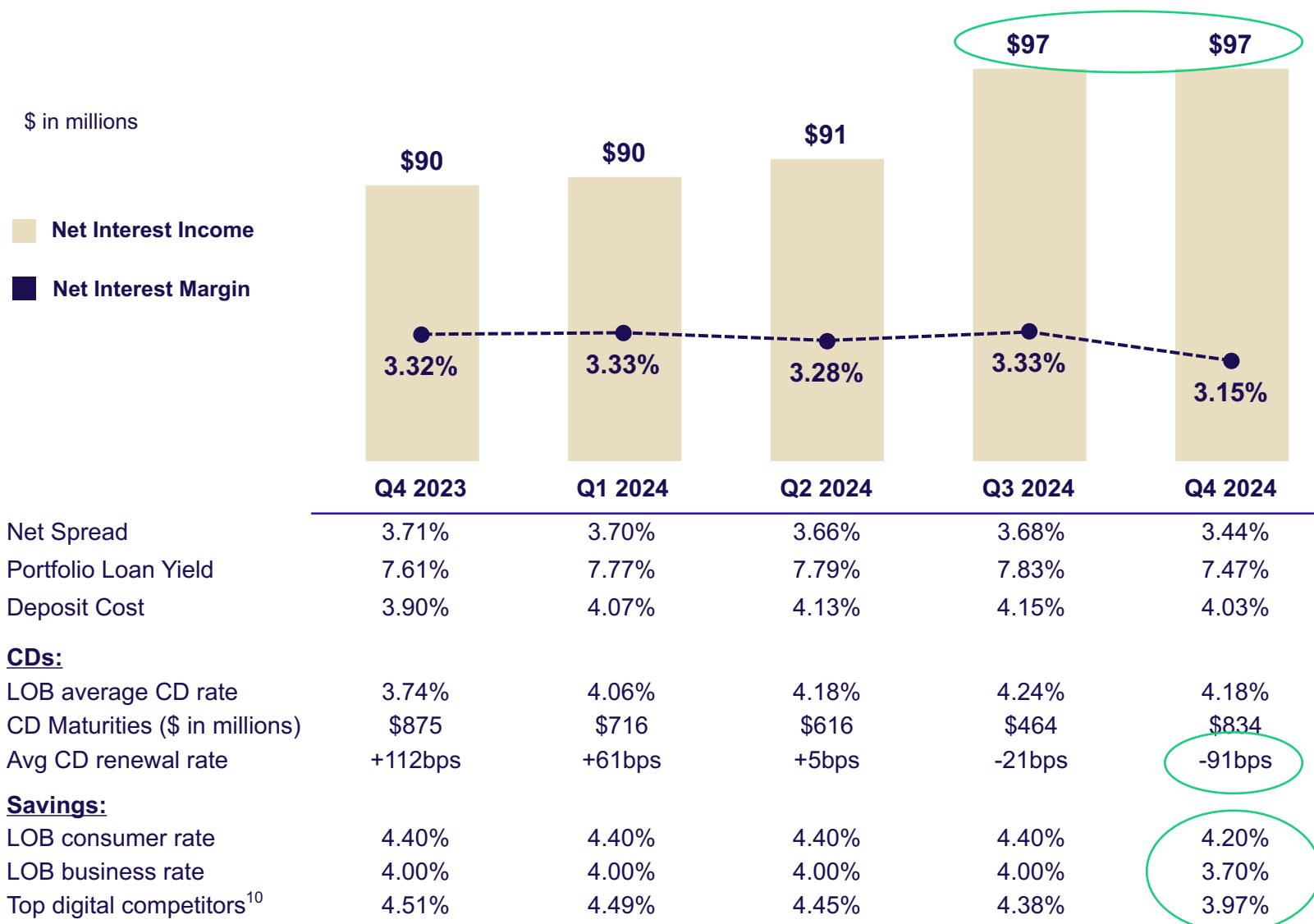
Total Balances	\$123	\$182	\$304	\$377	\$546
Customers with Loan and Deposit Accounts (%)	6.3%	7.9%	9.9%	12.3%	14.3%
New Loan Customers with Checking Accounts (%)	20.1%	30.0%	29.5%	34.3%	35.4%

Key Highlights

- Business checking full launch in Q1 2024
- Business checking balances surpassed \$212 million, ~5x 2023 ending balances
- +45% LQ growth in business deposit balances from businesses with both a checking account and interest-bearing deposit product
- 14% of customers have both a loan and deposit account, ~2x compared to PYQ

NET INTEREST MARGIN AND NET INTEREST INCOME TRENDS

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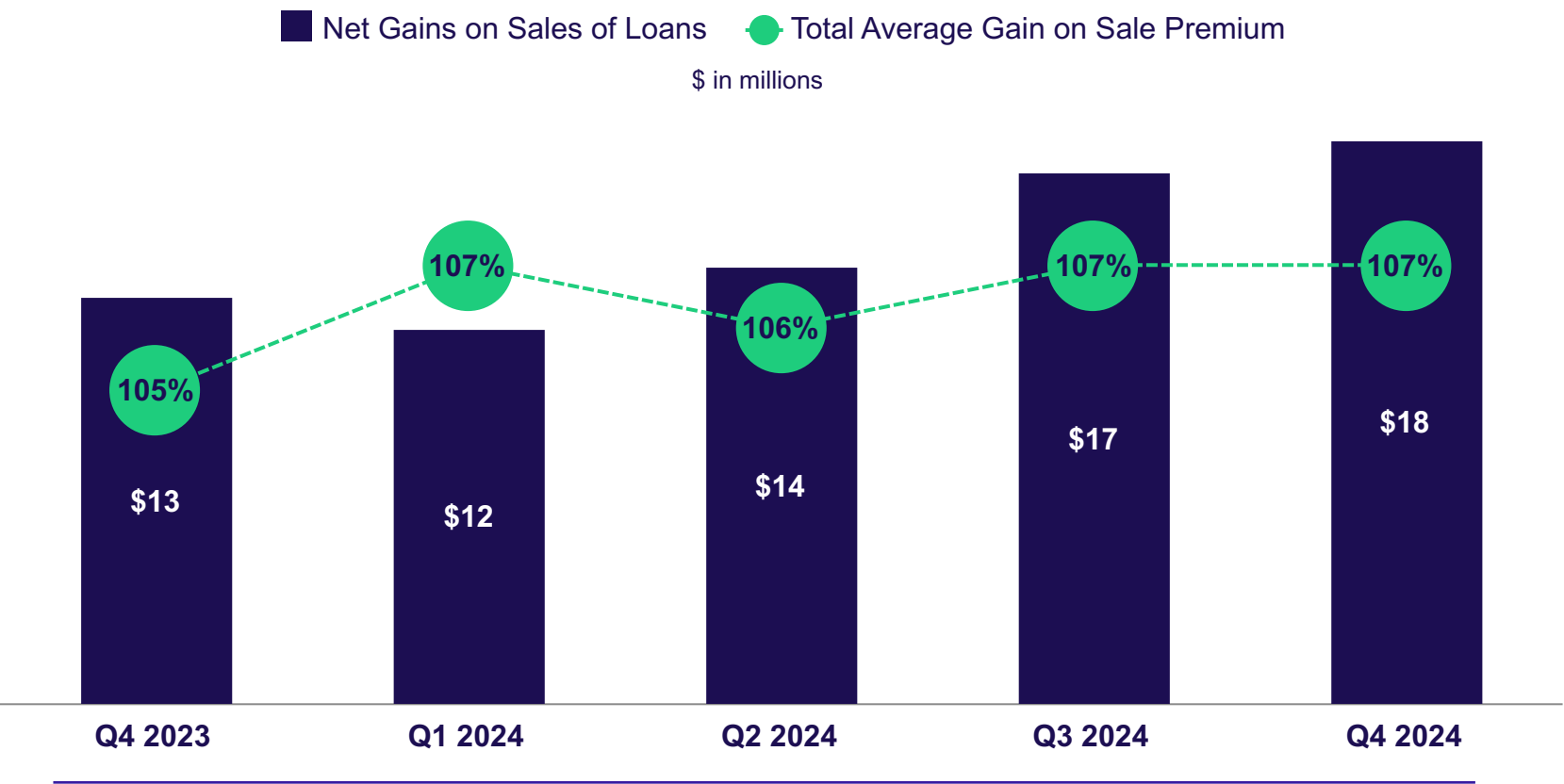
Key Highlights

- Net interest income flat LQ, +9% PYQ, despite NIM compression
- Q4 loan production average yield @ 8.48%, +101bps to average portfolio loan yield
- Lower deposit betas as rate offerings positioned for growth

\$ in millions	Net Interest Income	Net Interest Margin
Q3 2024	\$97.0	3.33%
Loan Volume & Mix	\$11.9	0.20%
Loan Rates	\$(5.9)	(0.19)%
Nonaccrual Loans	\$(3.3)	(0.11)%
Funding Volume & Mix	\$(6.1)	(0.20)%
Funding Rates	\$2.9	0.09%
Other	\$1.0	0.03%
Q4 2024	\$97.5	3.15%

LOAN SALES CONTINUE TO PROVIDE REVENUE, LIQUIDITY, AND OPTIONALITY

Secondary Market Performance



Key Highlights

Net gains on Q4 loan sales

- SBA premiums steady
- Small loan SBA 7(a) providing additional gain on sale volume
- 90% or more of small business production variable rate¹¹ last four quarters; provides for more sales flexibility

Guaranteed Loans Sold (\$ in millions)

SBA	\$239	\$160	\$250	\$255	\$278
USDA	\$0	\$26	\$0	\$12	\$0

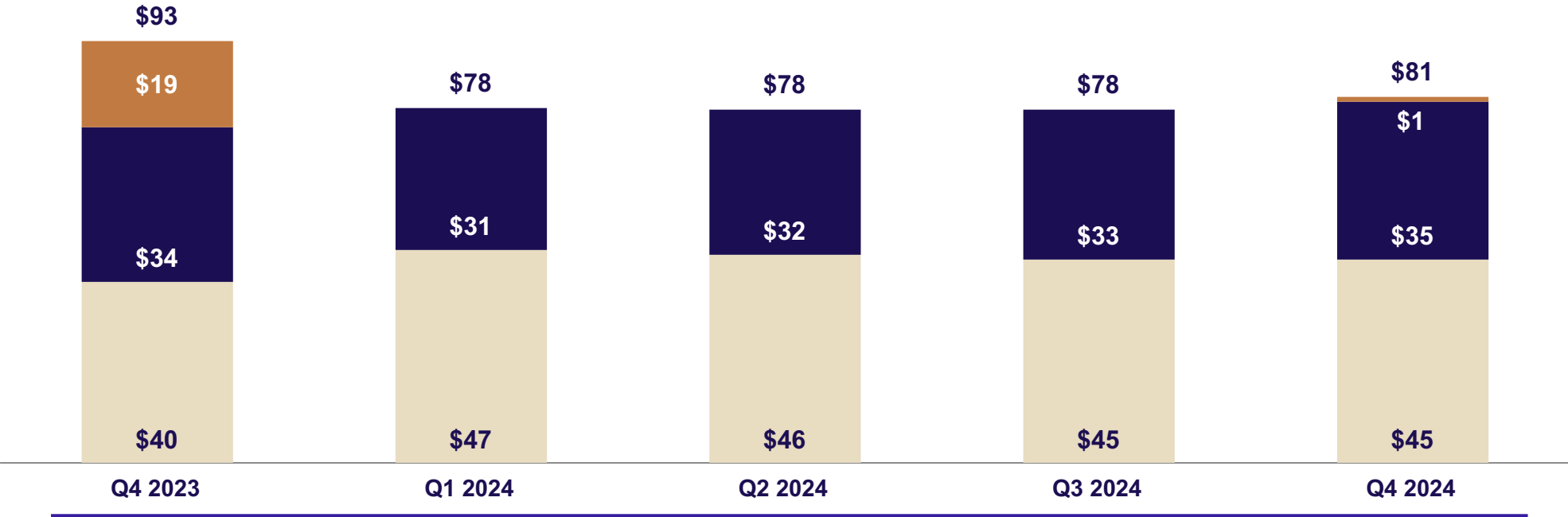
EXPENSES STABLE WHILE INVESTMENTS IN GROWTH ENGINE CONTINUE

GROWTH-FOCUSED HIRING DRIVEN BY REVENUE-GENERATING, DEPOSIT GATHERING, RISK, AND TECHNOLOGY-BASED ROLES

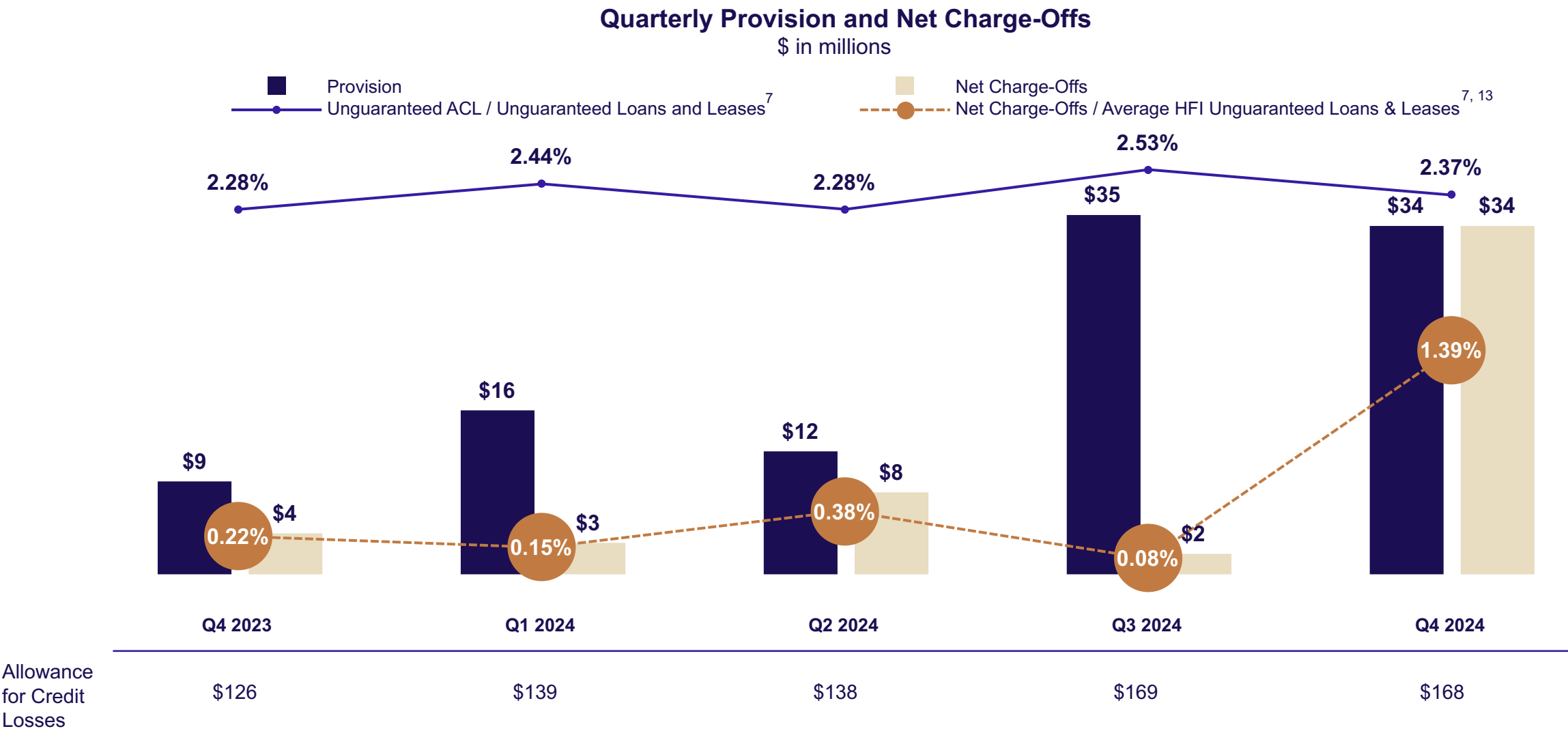
Quarterly Expenses

\$ in millions

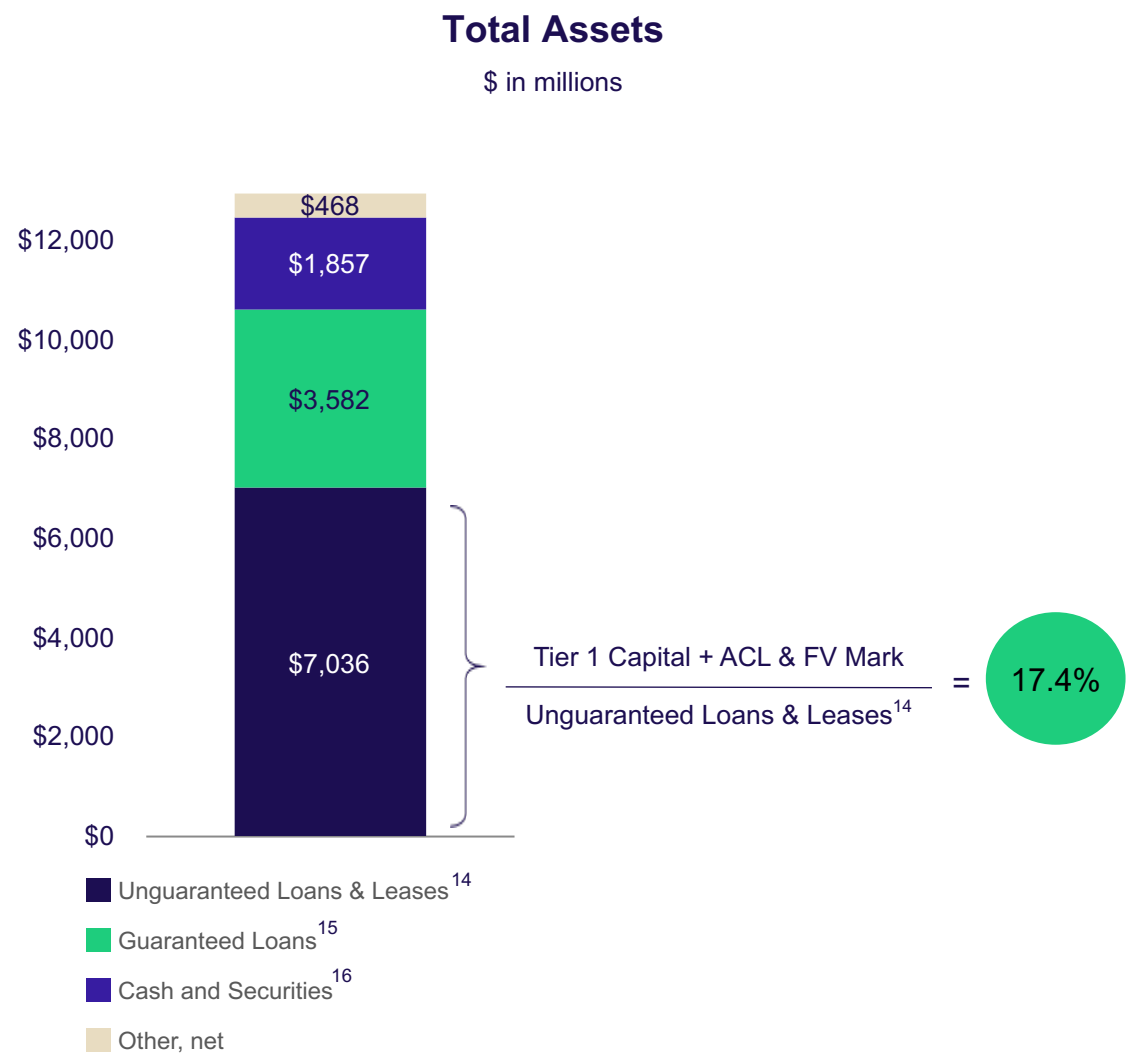
Personnel expense Non-personnel expense Non-GAAP adjustments¹



FTEs	952	962	987	999	1,014
% Tech related expense ¹²	15%	19%	19%	21%	20%
Efficiency ratio ¹	77.9%	66.9%	61.9%	59.7%	63.4%



STRONG CAPITAL POSITIONING - THE MAHAN RATIO



CAPITAL RATIOS	Q4 2024
Common Equity Tier 1 Capital	11.0%
Total Capital	12.3%
Tier 1 Capital	11.0%
Tier 1 Leverage	8.2%

As of December 31, 2024	
Tier 1 Capital (a)	\$1,049
ACL and FV Mark on Unguaranteed Loans and Leases (b)	\$172
Total Unguaranteed Loans and Leases ¹⁴ (c)	\$7,036
Tier 1 Capital to Unguaranteed Loans and Leases ¹⁴ (a/c)	14.9%
ACL and FV Mark to Unguaranteed Loans and Leases ¹⁴ (b/c)	2.4%



APPENDIX

APPENDIX: PRESENTATION FOOTNOTES

1. Non-GAAP financial measures. See Appendix for reconciliation of non-GAAP items to reported balances.
2. 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. Classified, nonaccruals includes HFI unguaranteed loans and leases rated substandard and on nonaccrual at amortized cost (inclusive of loans and leases at fair value and historical cost).
4. Classified, but still accruing includes HFI unguaranteed loans and leases rated substandard and accruing at amortized cost (inclusive of loans and leases at fair value and historical cost).
5. Past due loans and leases include HFI unguaranteed loans and leases on accrual status at amortized cost (inclusive of loans and leases at fair value and historical cost).
6. Default is defined as 60 days past due or indication that the business has been shut down when less than 60 days past due. Denominator is total active loans.
7. Denominator includes loans and leases at historical cost only (excludes loans measured at fair value).
8. Commercial loans include Specialty Finance and Energy & Infrastructure loans.
9. Represents total loans and leases at amortized cost, excluding PPP loans (inclusive of loans and leases at fair value and historical cost).
10. Source: Bankrate. Top Digital Competitors include: Capital One, Goldman Sachs Marcus, Ally Bank, American Express, Sallie Mae, Synchrony, Barclays, Citizens, CIT, and Discover.
11. Variable rate loans include those with a reprice frequency of one year or less.
12. Technology related expenses include technology expense and salaries and employee benefits for technology employees. Excludes accrued discretionary incentive compensation.
13. Quarterly net charge-offs as a percentage of quarterly average loans and leases held for investment, annualized.
14. Represents total unguaranteed loans and leases at amortized cost (inclusive of loans and leases at fair value and historical cost).
15. Balance reflected is at amortized cost.
16. Includes cash and due from banks, federal funds sold, certificates of deposit with other banks and investment securities available for sale.

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- deterioration in the financial condition of borrowers resulting in significant increases in our provision for credit 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 the status of Live Oak Banking Company 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 credit losses;
- changes in loan underwriting, credit review or loss reserve policies associated with economic conditions, examination conclusions, or regulatory developments;
- adverse developments in the banking industry highlighted by high-profile bank failures and the potential impact of such developments on customer confidence, liquidity, and regulatory responses to these developments;
- the impacts of global health crises and pandemics, such as 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;
- technological risks and developments, including cyber threats, attacks, or events;
- 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 service providers operating in our market area and elsewhere, including providers 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;
- a deterioration of the credit rating for U.S. long-term sovereign debt, actions that the U.S. government may take to avoid exceeding the debt ceiling, and uncertainties surrounding the debt ceiling and the federal budget;
- changes in political and economic conditions, including any prolonged U.S. government shutdown;
- 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.

APPENDIX: RECONCILIATION

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

	Banking Activities	Apiture	Live Oak Ventures	Canapi Advisors	Fintech Activities	Other	Consolidated, as reported
Actuals for the year ended December 31, 2022							
Net interest income	\$ 329.0	\$ —	\$ 0.1	\$ —	\$ 0.1	\$ (1.6)	\$ 327.5
Provision for credit losses	40.9	—	—	—	—	—	40.9
Noninterest income (loss)	80.6	(6.7)	151.0	10.7	155.0	2.4	238.0
Noninterest expense	296.9	—	0.6	8.8	9.4	7.9	314.2
Income (loss) before income tax expense	\$ 71.7	\$ (6.7)	\$ 150.4	\$ 2.0	\$ 145.7	\$ (7.1)	\$ 210.3
Actuals for the year ended December 31, 2023							
Net interest income	\$ 345.9	\$ —	\$ —	\$ —	\$ —	\$ (0.6)	\$ 345.3
Provision for credit losses	51.3	—	—	—	—	—	51.3
Noninterest income (loss)	101.1	(4.8)	(0.2)	13.3	8.3	2.4	111.7
Noninterest expense	303.7	—	1.0	9.4	10.5	8.7	322.9
Income (loss) before income tax expense	\$ 91.9	\$ (4.8)	\$ (1.3)	\$ 3.9	\$ (2.1)	\$ (7.0)	\$ 82.8
Actuals for the quarter ended December 31, 2023							
Net interest income	\$ 89.7	\$ —	\$ —	\$ —	\$ —	\$ (0.1)	\$ 89.6
Provision for credit losses	9.0	—	—	—	—	—	9.0
Noninterest income (loss)	26.8	(0.2)	(0.5)	3.3	2.6	0.7	30.1
Noninterest expense	87.8	—	0.1	2.3	2.4	3.0	93.2
Income (loss) before income tax expense	\$ 19.7	\$ (0.2)	\$ (0.7)	\$ 1.0	\$ 0.2	\$ (2.4)	\$ 17.5

See Note 3 on the next slide for further explanation regarding Fintech Activities not being tracked separately for 2024.

APPENDIX: RECONCILIATION

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Reconciliation of non-GAAP items to reported balances

(\$ in millions)

	Q4 2023 ⁽³⁾	Q1 2024	Q2 2024	Q3 2024	Q4 2024
a Net interest income, as reported	\$ 89.6	\$ 90.1	\$ 91.3	\$ 97.0	\$ 97.5
b Total noninterest income, as reported	30.1	26.1	34.2	32.9	30.6
Fair value adjustments:					
Add loan servicing asset revaluation loss (gain)	4.0	2.7	2.9	4.2	2.3
Add net loss (gain) on loans accounted for under the fair value option	0.2	0.2	(0.2)	(2.3)	(0.2)
Add other losses (gains) on valuation adjustments ⁽¹⁾	0.2	(5.7)	(0.6)	0.1	0.1
Total fair value adjustments	4.4	(2.7)	2.1	2.0	2.3
Less gain on sale of fixed asset	(4.4)	—	(6.7)	(2.4)	—
Add (subtract) noncash (gains) losses from investments in venture funds	0.3	—	—	—	—
Add (gains) losses from FinTech Activities ⁽²⁾	(0.2)	—	—	—	—
Add (subtract) equity method investments loss (income)	—	5.0	1.8	1.4	2.7
c Adjusted noninterest income	30.1	28.4	31.4	33.9	35.6
a+c Adjusted total revenue	119.7	118.5	122.7	130.9	133.1
d Total noninterest expense, as reported	93.2	77.7	77.7	77.6	81.3
Less special employee bonus	4.5	—	—	—	—
Less renewable energy tax credit impairment	14.6	(0.9)	0.2	0.1	1.2
Less impairment on long-lived assets	0.5	—	—	—	—
Adjusted noninterest expense	73.6	78.7	77.5	77.5	80.1
a+b-d PPNR, as reported	26.5	38.5	47.8	52.3	46.8
Net interest income	89.6	90.1	91.3	97.0	97.5
Adjusted noninterest income	30.1	28.4	31.4	33.9	35.6
Adjusted noninterest expense	73.6	78.7	77.5	77.5	80.1
e Adjusted PPNR	46.1	39.8	45.2	53.5	53.0
f Provision for credit losses, as reported	9.0	16.4	11.8	34.5	33.6
e-f Adjusted net income before tax	\$ 37.1	\$ 23.5	\$ 33.4	\$ 19.0	\$ 19.4

1.Includes valuation adjustments related to equity security investments, equity warrant assets, and foreclosed assets | 2.See Appendix "FinTech Activities Impact on Consolidated Financials."

3. The Canapi Advisors dissolution in late 2024 prompted management to reassess its segment reporting for the 2024 Form 10-K and conclude it has one operating segment. As a result, the above periods prior to 2024 are inclusive of FinTech Activities, as summarized on the preceding slide. For 2024 such activities are now largely included in the new line shown above entitled "Add (subtract) equity method investments loss (income)."

APPENDIX: RECONCILIATION

Reconciliation of non-GAAP items to reported balances

(\$ in millions)

	FY 2022 ⁽³⁾	FY 2023 ⁽³⁾	FY 2024
	\$ 327.5	\$ 345.3	\$ 375.9
a Net interest income, as reported			
Less PPP loan interest income	0.7	—	—
Less PPP loan deferred fees & costs amortized into interest income, net	6.3	—	—
Add estimated interest expense on funding activity to support PPP activities	0.3	—	—
b Adjusted net interest income	320.8	345.3	375.9
b Total noninterest income, as reported	238.0	111.7	123.8
Fair value adjustments:			
Add loan servicing asset revaluation loss (gain)	16.6	(4.9)	12.2
Add net loss (gain) on loans accounted for under the fair value option	(1.0)	3.5	(2.4)
Add other (gains) losses on valuation adjustments ⁽¹⁾	(0.5)	0.2	(6.1)
Total fair value adjustments	15.0	(1.2)	3.7
Less gain on sale of fixed asset	—	(4.4)	(9.1)
Add (subtract) noncash (gains) losses from investments in venture funds	0.3	1.7	—
Add (gains) losses from FinTech Activities ⁽²⁾	(145.7)	2.1	—
Add (subtract) equity method investments loss (income)	—	—	10.9
c Adjusted noninterest income	107.6	110.0	129.3
a+c Adjusted total revenue	428.4	455.3	505.2
d Total noninterest expense, as reported	314.2	322.9	314.2
Less bonus related to FinTech investment gains	10.5	—	—
Less charitable giving related to FinTech investment gains	5.0	—	—
Less special employee bonus	—	4.5	—
Less renewable energy tax credit impairment	16.2	14.6	0.5
Less impairment on long-lived assets	—	0.5	—
Less reserve for unfunded commitments expense increase from assumption refinements	—	2.4	—
Adjusted noninterest expense	282.5	300.8	313.7
a+b-d PPNR, as reported	251.3	134.2	185.4
Adjusted net interest income	320.8	345.3	375.9
Adjusted noninterest income	107.6	110.0	129.3
Adjusted noninterest expense	282.5	300.8	313.7
e Adjusted PPNR	145.9	154.5	191.5
f Provision for credit losses, as reported	40.9	51.3	96.2
e-f Adjusted net income before tax	\$ 104.9	\$ 103.2	\$ 95.3

1. Includes valuation adjustments related to equity security investments, equity warrant assets, and foreclosed assets | 2. See Appendix "FinTech Activities Impact on Consolidated Financials." |

3. See Note 3 on previous slide for further explanation regarding FinTech Activities not being tracked separately for 2024.

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APPENDIX: RECONCILIATION

(\$ in millions)

	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Total shareholders' equity	\$ 902.7	\$ 927.7	\$ 961.0	\$ 1,007.8	\$ 1,003.5
Less:					
Goodwill	1.8	1.8	1.8	1.8	1.8
Other intangible assets	1.7	1.7	1.6	1.6	1.6
a Tangible shareholders' equity	899.1	924.2	957.6	1,004.4	1,000.1
b Shares outstanding	44,617,673	44,938,673	45,003,856	45,151,691	45,359,425
a/b TBV (Tangible Book Value) per share	\$ 20.15	\$ 20.57	\$ 21.28	\$ 22.24	\$ 22.05

(\$ in millions)

Efficiency Ratio

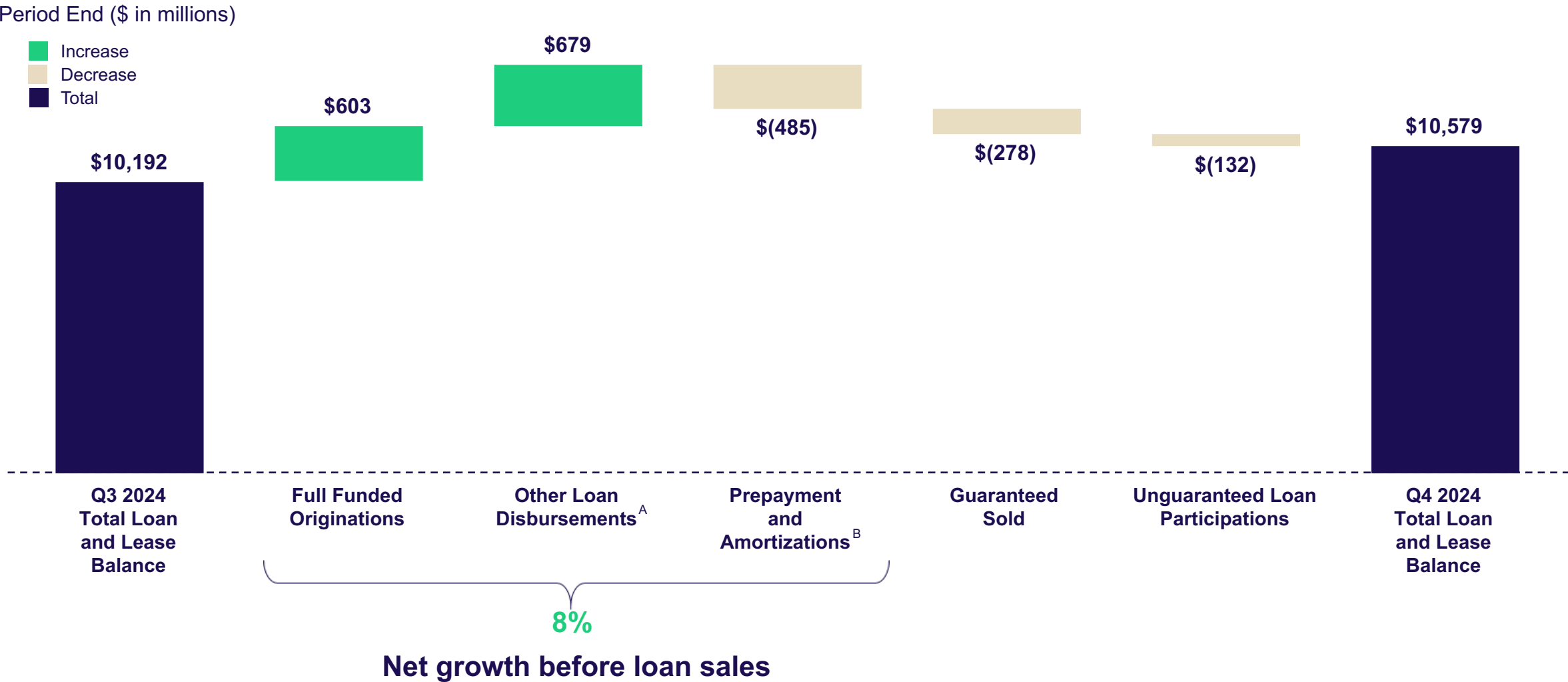
	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Noninterest expense	\$ 93.2	\$ 77.7	\$ 77.7	\$ 77.6	\$ 81.3
Net interest income	89.6	90.1	91.3	97.0	97.5
Noninterest income	30.1	26.1	34.2	32.9	30.6
Adjusted operating revenue	119.7	116.2	125.5	129.9	128.1
Efficiency Ratio	77.9%	66.9%	61.9%	59.7%	63.4%

Efficiency ratio adjusted for non-GAAP activities

Adjusted noninterest expense	\$ 73.6	\$ 78.7	\$ 77.5	\$ 77.5	\$ 80.1
Net interest income	89.6	90.1	91.3	97.0	97.5
Adjusted noninterest income	30.1	28.4	31.4	33.9	35.6
Adjusted efficiency ratio	61.5%	66.4%	63.2%	59.2%	60.2%

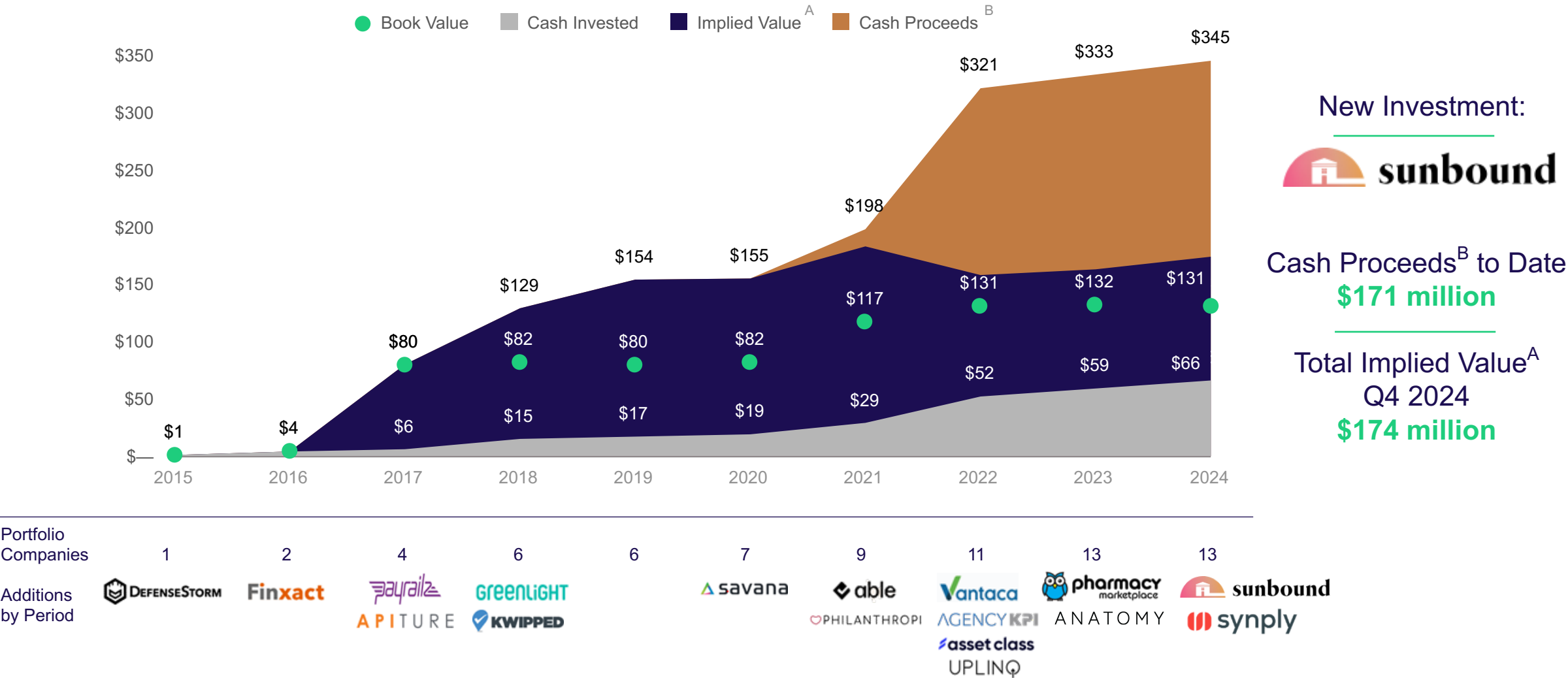
APPENDIX: CURRENT AND PAST PRODUCTION DRIVING LOAN GROWTH

4% PERIOD-END LOAN GROWTH LQ; 8% TOTAL NET GROWTH LQ BEFORE LOAN SALES



A. Other Loan Disbursements includes disbursements on construction loans and revolving loans.
B. Prepayment and Amortizations also includes charge-offs and change in deferred loan fees and cost.
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APPENDIX: LIVE OAK VENTURES



A. Estimated implied value based on most recent transaction data and not necessarily indicative of future values.
B. Includes actual cash proceeds from the partial sale of Greenlight Financial Technology, Inc., and full sale of Finxact, Inc. and Payrailz, LLC.
Note: Data is year to date 2024