LiveOak BANCSHARES

LIVE OAK BANK

Raymond James & Associates
43rd Annual Institutional Investors Conference
March 8, 2022



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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.

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OUR HISTORY AND CULTURE DRIVING OUR FUTURE

As one of the last banks to get a charter before the start of the Great Recession, Live Oak emerged out of the rubble of 2008 as the first bank to keep the customer at the center of their business model.

We put a groundbreaking spin on what banking could be, focusing on service and technology to redefine banking.





2008-2012

- Live Oak Bank Founded — 2008
- nCino founded — 2011
- $1.2B Originated[1] — 2012

2013-2016

- Best Banks To Work for[2] — 2013, 2014, 2015
- Live Oak Ventures launched — 2013
- nCino spun out to shareholders — 2014
- IPO — 2015
- Launch of Digital Bank — 2015
- Finxact founded — 2016

2017-2021

- #1 SBA 7a Lender[3] — 2017, 2018, 2019, 2020, 2021
- Apiture founded — 2017
- Business model shift to holding loans — 2018
- Highest Volume USDA Lender[4] — 2019
- $10.95B Originated[1] — 2019
- Canapi Ventures launches fund — 2019
- #1 USDA B&I Lender by dollar volume for FY[5] — 2021

FUTURE

- Model Bank
- Become the nation's small business bank

1. All figures based on data from internal reports | 2. American Banker: Best Bank to Work for in 2013, 2014 and 2015 | 3. The data supplied by the SBA reflects 7(a) gross loan approvals during FY 2021
4. Live Oak Bank was awarded the 2019 Commercial Lender of the Year for dollar amount lent by the U.S. Department of Agriculture Rural Development (USDA) | 5. Live Oak Bank was awarded the 2021 number one USDA B&I lender for the highest dollar volume by U.S. Department of Agriculture (USDA) Rural Development

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The Live Oak Value Proposition

Our Path to Becoming America's Small Business Bank

VERTICALITY	SCALABILITY	OPTIONALITY
Differentiated lending model dedicated solely to small businesses	Building the moat	Value creation through industry disruption

• 30+ lending verticals with deep industry expertise
• Strong credit & capital profile
  • 45% portfolio government-guaranteed
• Large addressable market for future loan growth
• High touch customer service model
	• Building on next-gen core and ecosystem
	• Efficient deposits platform
	• Future product enhancements will deepen relationships, improve retention, lower funding costs and improve efficiency
	  • Checking
	  • Small business product suite
	• Community bank of the future / Embedded Banking significant differentiator
		• Leading-edge fintech investments activities
		  • Live Oak Ventures
		  • Canapi Ventures
		• Product and service innovation platform
		• Organic earnings and investments profile provide significant non-dilutive growth capital

Leading Returns | Strong Risk Profile | Sustainable Growth Model | Embedded Innovation | Optionality

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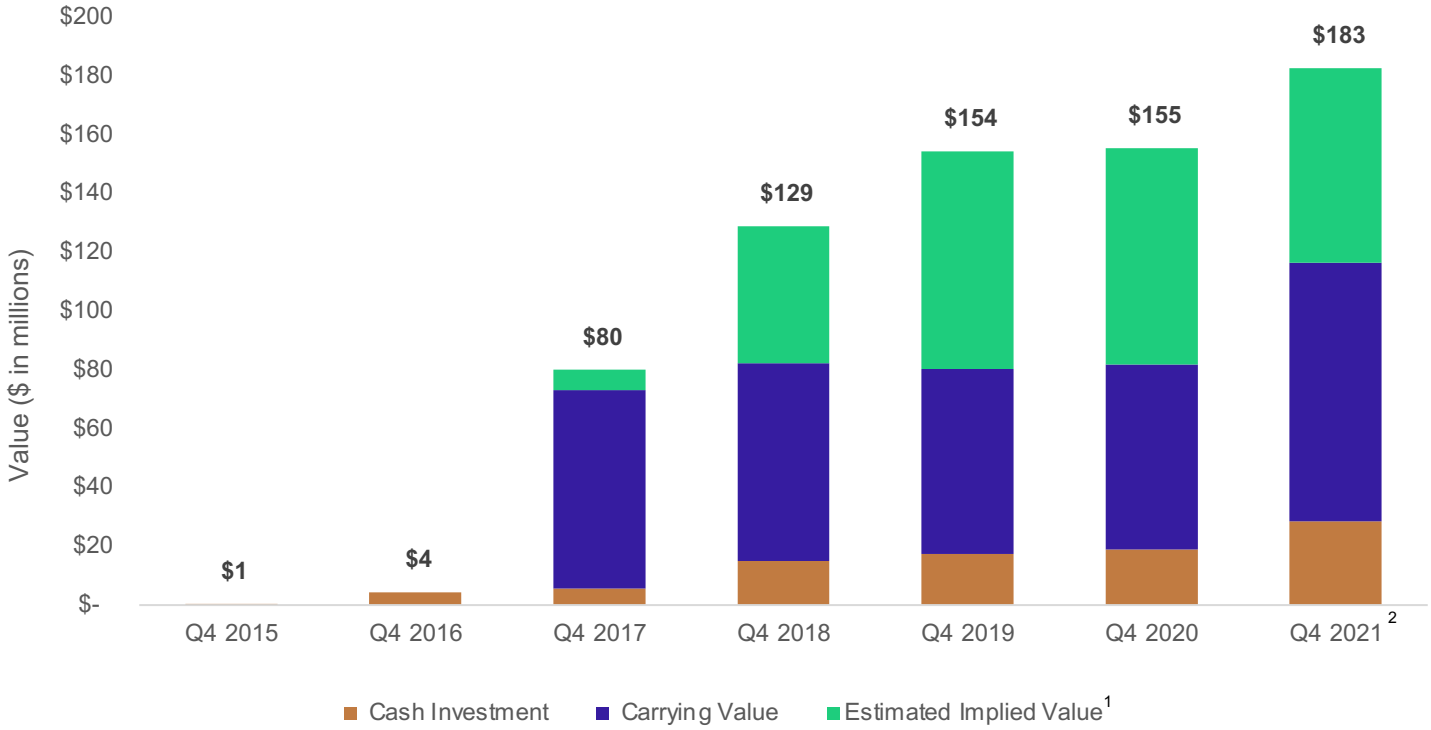
DIRECT FINTECH INVESTMENTS

Venture investments directly support Live Oak's mission to be America's small business bank



Number of Portfolio Companies	1	2	4	5	6	7	9

Live Oak key successes:

Finxact™ CORE AS A SERVICE GREENLIGHT APITURE

Live Oak Ventures strategy:

- Bank infrastructure
- Embedded banking partnerships
- Incubation studio

Ventures success factors:

- Experienced entrepreneurs
- Technology-native leadership
- Eternal beta customer
- Unwavering focus on small businesses

1. Estimated implied value based on most recent transaction data and not necessarily indicative of current or future value.
2. Does not include potential Finxact gain from recently announced transaction.

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HOW CANAPI FITS IN

Live Oak's Investment in Canapi is paying off through access to top-tier fintech companies as well as encouraging early fund performance

Canapi benefits include:



Economic Benefits



Investment Reach



Strategic Advisory

CANAPI

Advisor and LP Investor in Fund I

Nova
Co-led Series B

Moov*
Seed + Series A

Laika
Led Series A
Series B

Neuro-ID
Series A

Capitalize
Led Series A

Finxact*
Series A

Able
Led Seed
Led Series A

Blooma
Led Seed A

Orum*
Co-Led Series B

Peach
Led Series A

Posh
Leading Series A
(not closed)

Alloy*
Led Series B + C

Built*
Series B
Series C
Series D

Notarize*
Led Series D

Blend
Led Series F

Greenlight
Co-Led Series C
Series D

MX*
Series C

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

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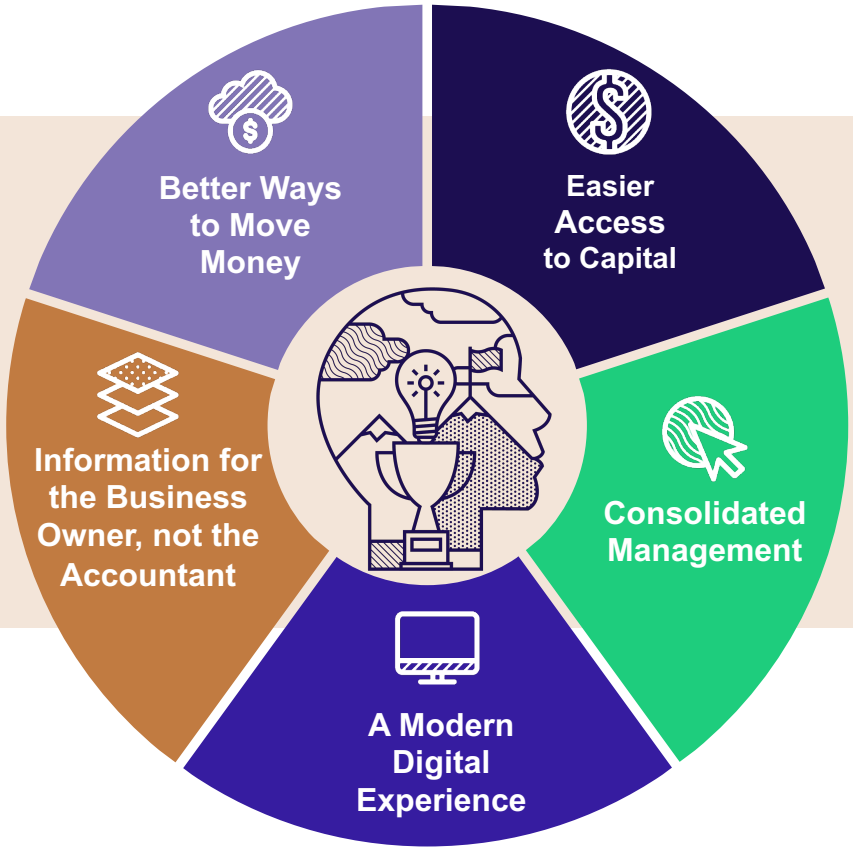
SMB AT THE CENTER OF LIVE OAK'S STRATEGY

TODAY

- Extensive small business expertise
- Vertical knowledge
- Experience with most complex loan product
- Modern bank platform



TOMORROW

- Embedded banking
- Small dollar lending
- Payments
- Data / Actionable Insights

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EMBEDDED BANKING

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SMALL BUSINESSES ARE UNDERSERVED BY BANKS

It's hard to run a small business...

- 20% of new businesses close within their first year[1]
- 34% of businesses reach their 10-year anniversary[1]
- 600k business establishments close annually[2]

Financial systems and tasks are complex and fragmented...

- 85% of SMBs are tracking financial operations manually[3]
- 87% of SMBs want same provider for credit and banking services[2]
- 83% using multiple applications to manage financial operations[3]

Banks overlook small businesses.

- 27% of SMBs aren't able to receive the funding they need[4]
- 70% of respondents express an openness to using digital channels for services beyond transactions[5]
- 45% of small business customers are very satisfied with large banks[6]

1.Bureau of Labor Statistics' Business Employment Dynamics report. 2.Federal Reserve Small Business Credit Survey 3. Wakefield Research
4. NSBA 5. McKinsey Study 2021 6. Barlow Research Associates, Inc.

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BANKING NEEDS TO COME TO THE CUSTOMER

SMB financial solutions are complex, and banks can help simplify the problem

Small businesses need solutions that:

1. Work seamlessly with the applications and data that drive their business
2. Save valuable time with data and insights
3. Provide easier access to capital and better money movement

Live Oak will deliver this with embedded banking

- **Specialized financial products & features**
- **Integrations to key platforms**
- **Data & insights**
- **Verticalized, role-specific UI/UX**
- **Offers and discounts**
- **Standalone services**

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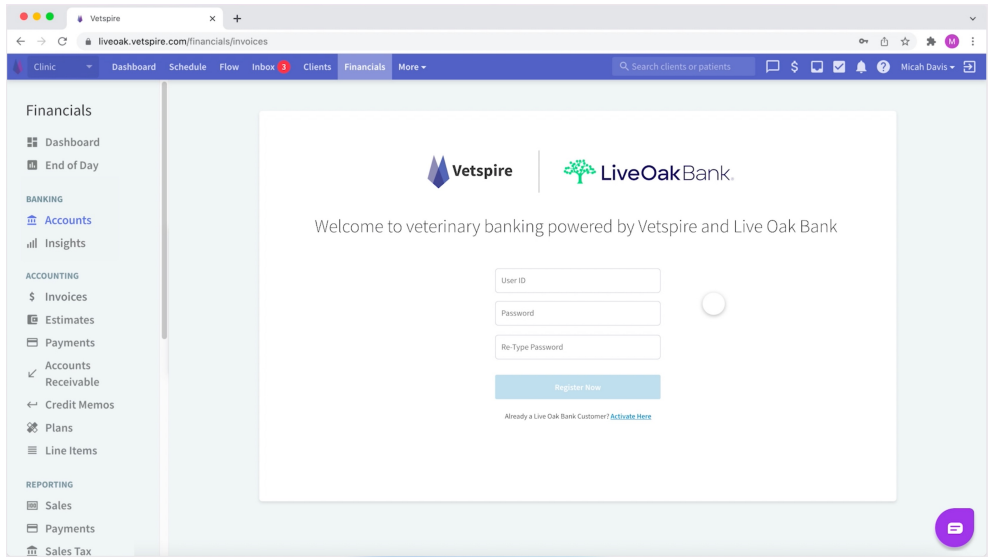
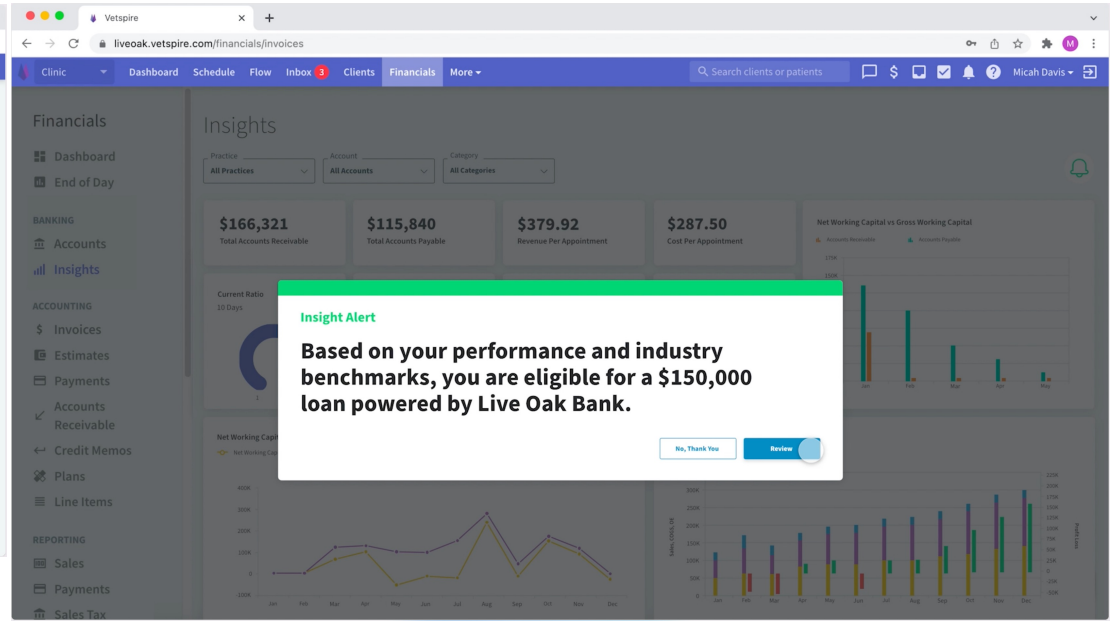
LIVE OAK'S EMBEDDED BANKING

Seamlessly merging banking with the business management solutions that enable the entrepreneur







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SEAMLESS CONNECTIVITY WITH EMBEDDED BANKING

Unlocking the combined power of banking and business management solutions

Evolving Industry Landscape

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

Opportunity

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

Keys to Success

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



CUSTOMERS



PARTNERS



BANKS

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Q & A

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APPENDIX - FORWARD LOOKING STATEMENTS

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

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