

LIVE OAK BANK

Investor Visit
March 15, 2023



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 BANK

Our Path to Becoming America's Small Business Bank

VERTICALITY

Differentiated lending model dedicated to small businesses

- 30+ lending verticals with deep industry expertise
- Strong credit profile with significant percentage of loans on book with government guarantee
- Large addressable market for future loan growth
- High-touch customer service model

SCALABILITY

Building the moat

- Growing and investing in the lending platform
- Building on next-gen core and ecosystem
- Efficient deposits platform
- Future product enhancements
 - Small business operating account suite
 - Community bank of the future
 - Embedded banking

OPTIONALITY

Value creation through industry disruption

- Leading-edge fintech investments activities
 - Live Oak Ventures
 - Canapi Ventures
- Product and service innovation platform

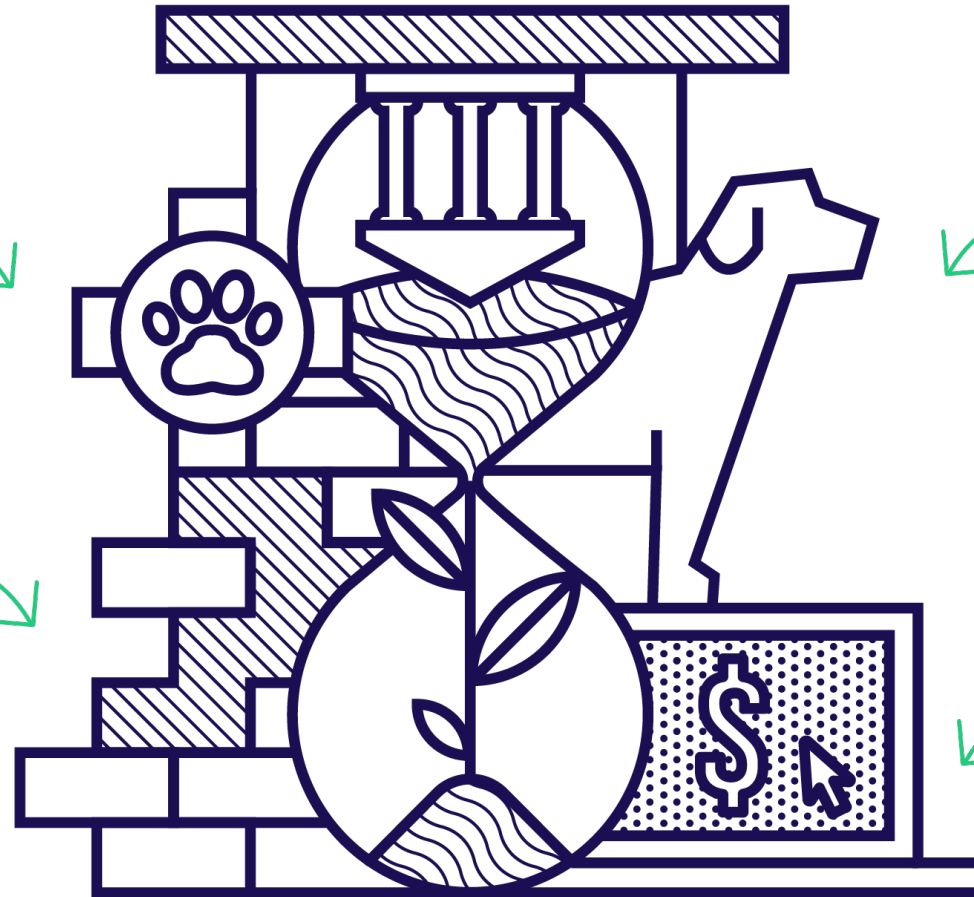
INVERTING THE MODEL

Live Oak Bank

Maximize Capital
Focus on SBA loans

**High Tech &
High Touch**
Launched during
the 2008
financial crisis

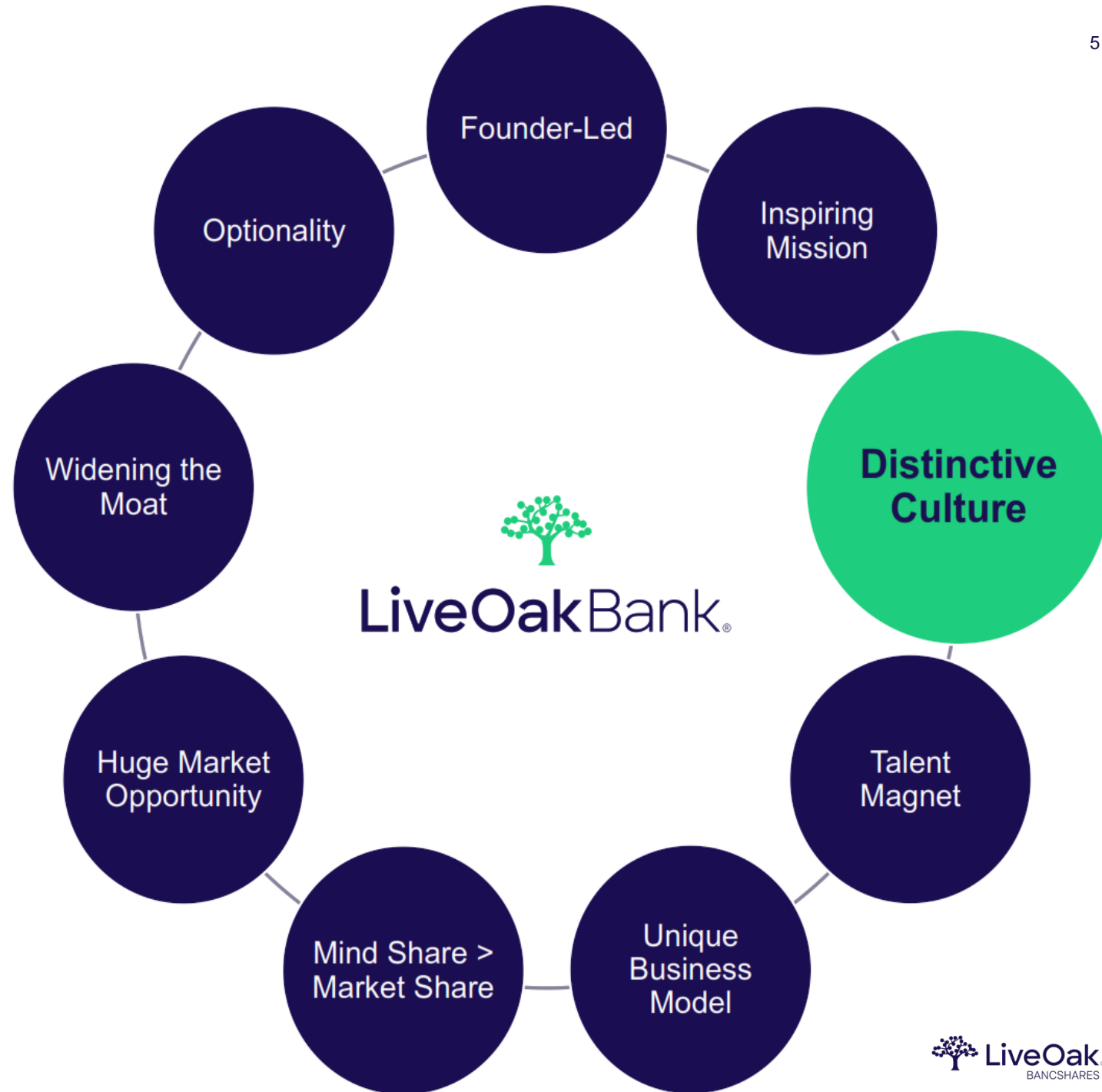
Growth
Use technology to
scale and be efficient



Know Your Customer
“The Doggy Bank”
goes nationwide through
verticals

Go Digital
Gather deposits online

COMPONENTS OF SUCCESS



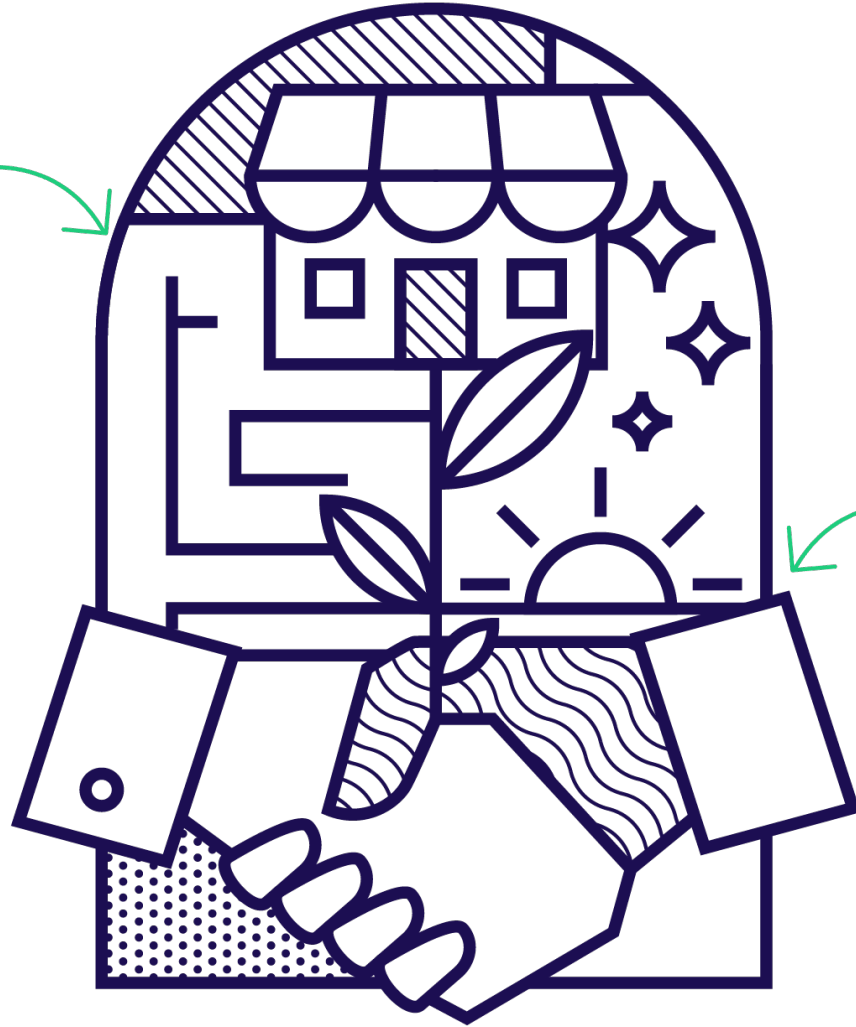
COMPONENTS OF OUR STRATEGY



KEEP IT SIMPLE...FOR CUSTOMERS

7

Am I approved?
We help you navigate
the maze of financing

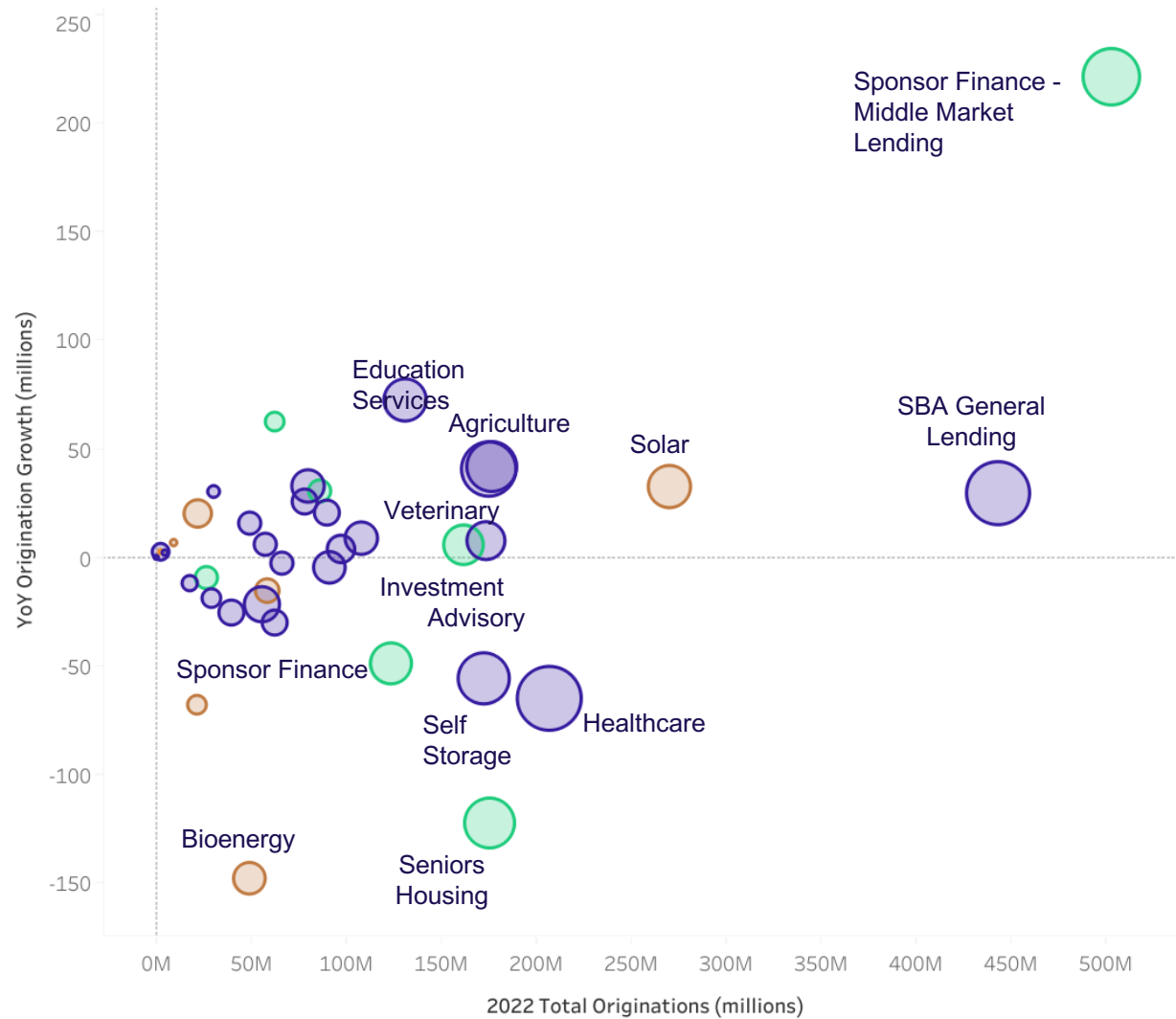


When do I get the money?
We work night and day to get
your funds fast

EVOLUTION OF OUR LENDING VERTICALS



DIVERSIFICATION ACROSS THE PLATFORM



FY 2022 Production Mix by Business Unit (%)

61% 28% 11%

\$ in millions

	Q4 Loans Outstanding ¹	Q4 2022 Originations		FY 2022 Originations	
		\$	YoY % Change	\$	YoY % Change ²
Small Business Banking	\$5,583	\$605	(4)%	\$2,439	5 %
Specialty Finance	1,517	367	19	1,139	14
Energy & Infrastructure	805	206	46	429	(29)

Lending Across 30+ Verticals

Accounting & Tax	Funeral Home & Cemetery	Professional Services Firms
Agriculture	Government Contracting	Restoration, Remediation & Cleaning
Asset-Based Lending	Hardware Stores	RV Parks
Auto Dealerships	Healthcare	SBA General Lending
Automotive Care	Home Care	Self Storage
Bioenergy	HVAC & Plumbing	Seniors Housing
Broadband	Contractors	Solar
Community Facilities	Inclusive Small Business	Sponsor Finance
Dental	Insurance	Venture Banking
Education Services	Investment Advisory	Veterinary
Fitness Centers	Law Firms	Water & Wastewater Programs
Franchises	Liquor Stores	Wine & Craft Beverage
Franchise Restaurants	Pharmacy	

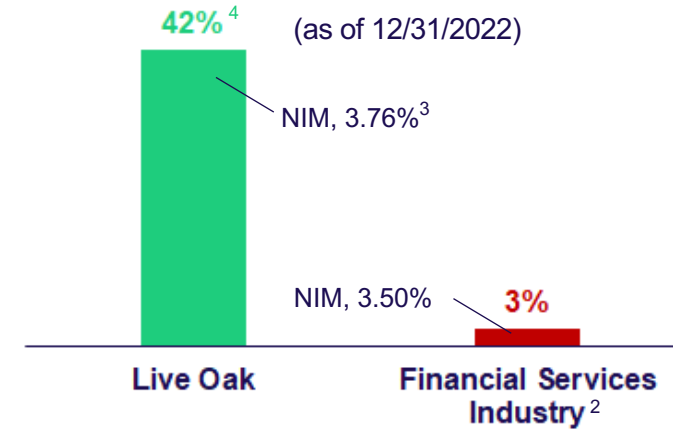
1. Represents total loans and leases at amortized cost, excluding PPP loans (inclusive of loans and leases at fair value and historical cost). | 2. Loan and lease originations, excluding PPP.

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SOUNDNESS, PROFITABILITY & GROWTH, IN THAT ORDER

- Since 2013, Live Oak has experienced 30 bps⁵ loss rate on SBA loans originated compared to the SBA 7(a) program total loss rate of 389 bps⁶
- 42%⁴ of loan and lease portfolio is government guaranteed, compared to 3%² for the financial services industry
- Live Oak's reserve to unguaranteed loans ratio averages ~2.2x above industry peers¹ since December 2019

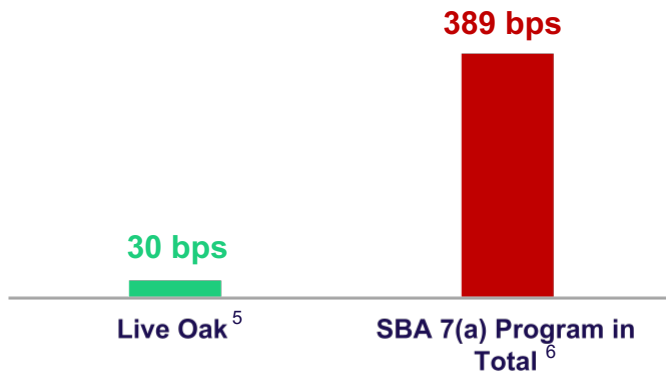
Percent of Loan Portfolio that is Government Guaranteed vs. NIM



~14x higher concentration of guaranteed loans on balance sheet

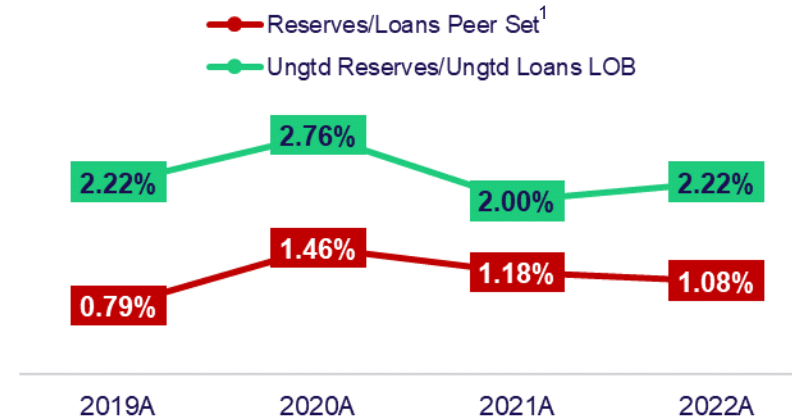
Live Oak's NIM +26bps above industry

Cumulative SBA 7(a) Loss Rate Since 2013



Live Oak loss rate since 2013 has been substantially less than SBA 7(a) program in total

Reserve / Loans since 2019



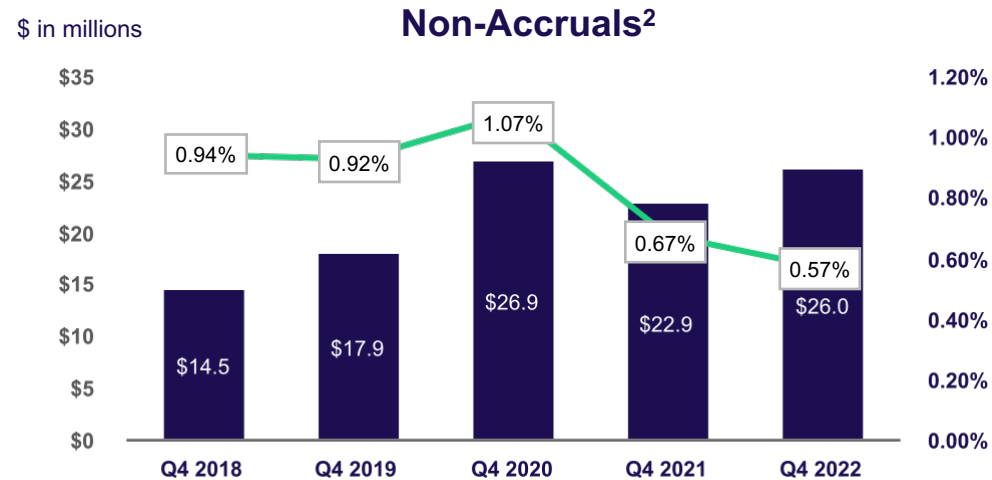
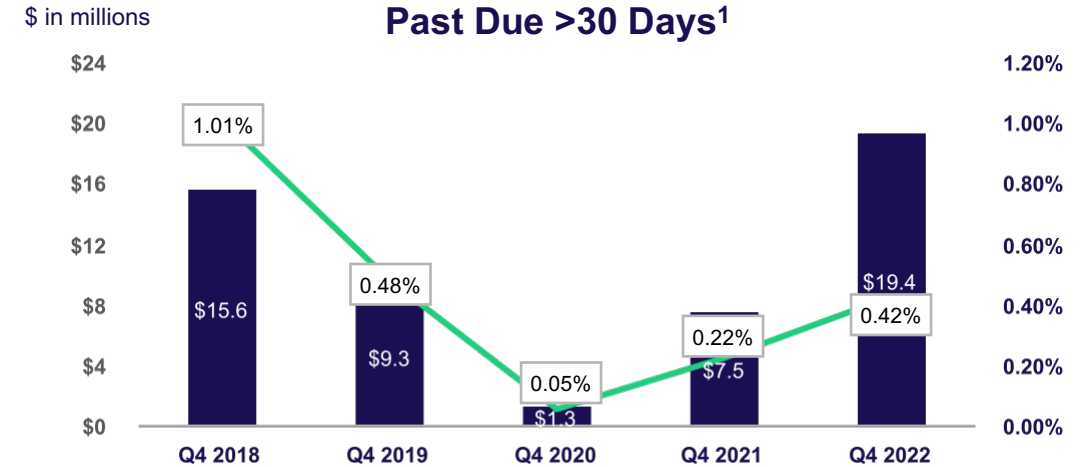
Live Oak's reserve to unguaranteed loan ratio averages ~2.0x above industry

1. Peer set represents Mid Cap Banks that comprise the Regional Bank Index (KRX). | 2. From financial institution industry data. Government guarantee derived from that data by assuming reported loans and leases with a 0% and 20% risk-weighting are government guaranteed. Source is S&P Capital IQ as of December 31, 2022, including data for all Bank Holding Companies. | 3. Net Interest Margin as reported as of December 31, 2022. | 4. Total guaranteed loans and leases as of December 31, 2022, inclusive of \$13.1 million of PPP outstanding balances. Excluding PPP, total guaranteed loans and leases / total loans and leases would also be 42%. | 5. Total SBA 7(a) net charge-offs (inclusive of those at fair value and historical cost) / Total SBA 7(a) originations from 2013 through Q4 2022. | 6. Derived from SBA guarantee payment data by assuming aggregate of all payments plus 25% (for unguaranteed portion) equate to total charge-off history. Source is SBA 7(a) Program data from September 30, 2022 SBA Loan Program Performance Report, includes charge-offs, guaranteed, and originations for the entire SBA 7(a) program.

CREDIT METRICS HEALTHY

Trends and Borrower Behavior Remain Stable and Solid; Not Taking Our Eyes off the Ball

- Q4 provision breakdown:
 - ~ 40% from loan growth
 - ~ 5% from net charge-offs
 - ~ 55% from portfolio, macroeconomic changes
- Specific reserve growth is related to a small number of relationships
- Trending to pre-pandemic ratios

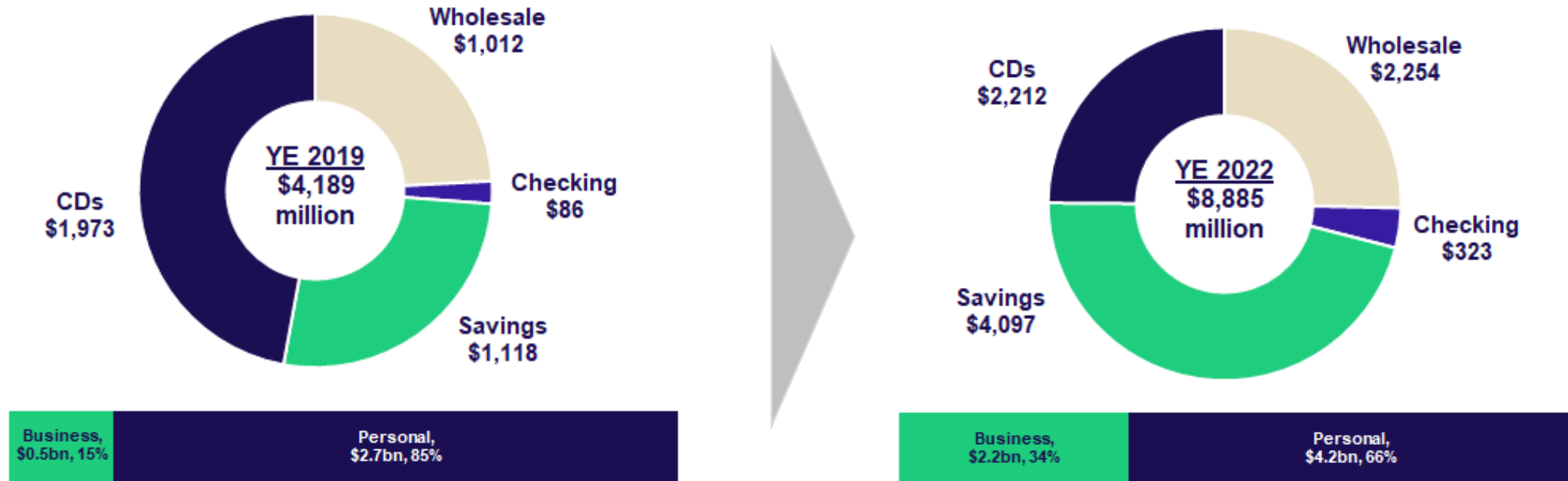


	Q4 HFI Unguaranteed Balance	Past Due >30 Days ¹	Non- Accruals ²	Net Charge Offs ³
Small Business Banking	\$2,616	0.71%	0.71%	(0.08%)
Specialty Finance	\$1,381	0.06%	0.29%	0.41%
Energy & Infrastructure	\$599	—%	0.57%	0.34%

1. 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). Ratio uses total HFI unguaranteed loans and leases at amortized cost (inclusive of loans and leases at fair value and historical cost) as denominator. | 2. Non-accrual loans and leases include HFI unguaranteed loans and leases on non-accrual at amortized cost (inclusive of loans and leases at fair value and historical cost). 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. Quarterly net charge offs as a percentage of HFI unguaranteed loans and leases at amortized cost exclusive of loans at fair value, annualized.

DEPOSIT PORTFOLIO COMPOSITION

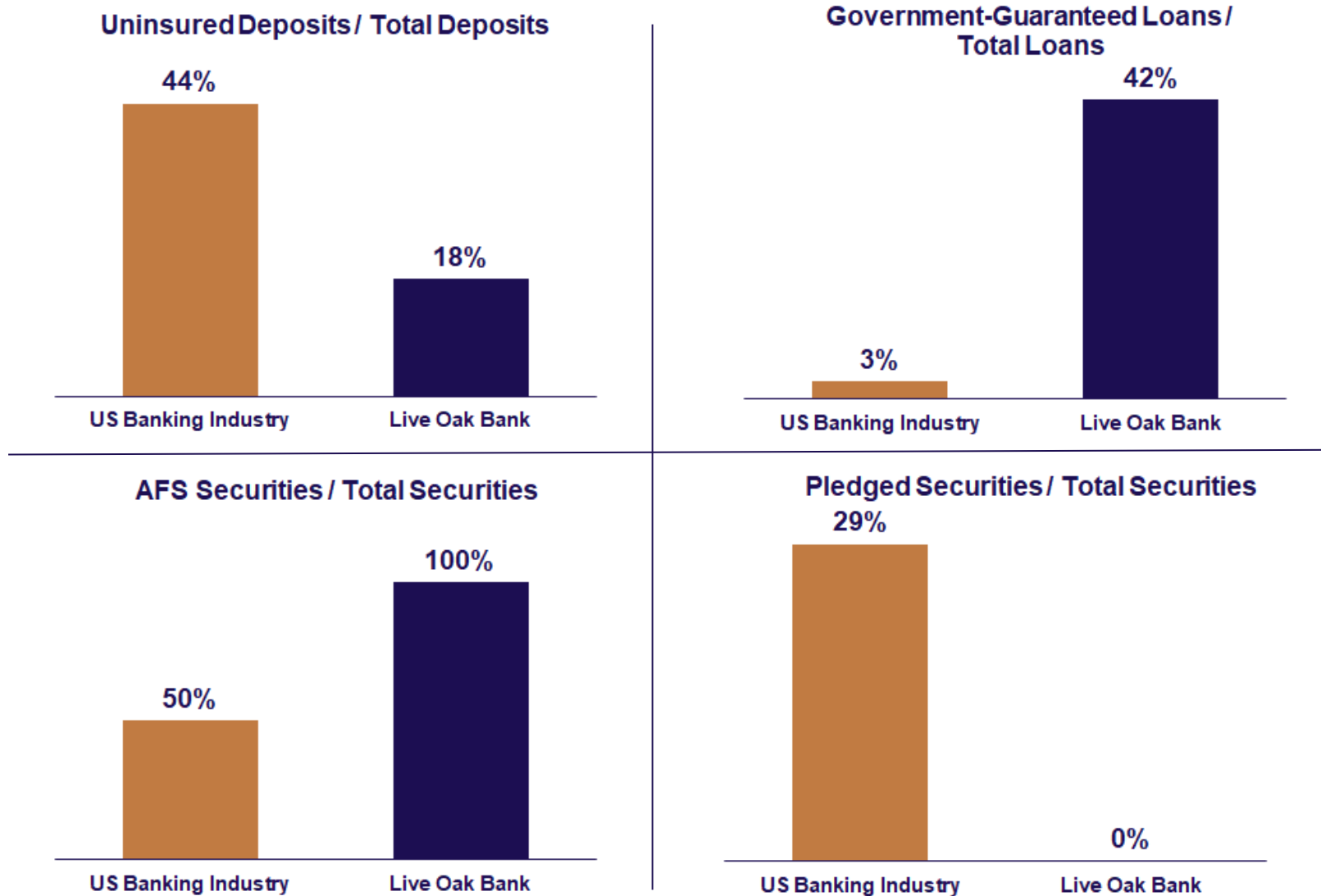
20%+ Growth for 3 Consecutive Years | 100% Cumulative Growth Since 2020



- Average balance of ~\$62k per personal account, ~\$129k per business account as of YE 2022
- Structured wholesale portfolio consists of laddered brokered certificates of deposits with contractual maturities
- Efficient operating platform – 10bps cost to serve with ~40 total FTE
- Planning evolution from direct bank to full-service business bank – checking, treasury, working capital, payments

STRONG LIQUIDITY POSITIONING

As of 12/31/2022



As of March 13, 2023:

- Cash, reserves, and immediate borrowing capacity totaled **~\$4.0 billion**
- **~45%** of total deposits
- **~300%** of estimated uninsured deposits

Source: Bank Call Reports via S&P Capital IQ. Includes commercial and savings banks with total assets in excess of \$1 billion and excludes any banks with \$0 or "NA" deposits. Government guaranteed loans derived from that data by assuming reported loans and leases with a 0% and 20% risk-weighting are government guaranteed.

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SMALL BUSINESS OPPORTUNITY



Live Oak Market Share

All Small Business | **1/20th of 1%**

Small Business
with 2-499 Employees | **1/4 of 1%**

Live Oak Customers

With Both Loan & Deposit Account | **~3%**

Repeat Loan Customers | **~20%**

With a Checking Account Elsewhere | **~100%**

EVOLVING FROM LENDING TO BANKING

HISTORICAL

LENDING

- 100+ Lenders, Highly-Aligned Model
- Unparalleled Vertical Expertise
- Lead with the Loan, Targeted Offering with Robust Credit Experience
- NO** Banking Relationship Requirement
- High-touch Relationship Management

DIRECT BANK

- Market-based Savings + CDs for Consumers and Small Businesses
- Efficient, Scalable Funding Operation
- Limited Connectivity to Lending Products
- High-touch Contact Center
- Launched Basic Checking (late 2021)

FUTURE / IN PROCESS

BUSINESS BANKING

- 100+ Bankers with Full Suite of Loan + Deposit Solutions
- Bundled Solutions, Relationship Pricing
- High-touch Relationship Management
- Skilled Deposit / Treasury Support Teams
- Working Capital Solutions
- Payments Solutions
- Next-Generation Digital Platforms

EMBEDDED

- Bringing the Bank to the Business Owner
- Modern Tech Architecture **INTEGRATED** into the Business Owner's Software
- Next Generation Insights for the Business Owner, **NOT** the Accountant

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 the status of Live Oak Banking Company (the “Bank or Live Oak Bank”) 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 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;
- 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;
- 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;
- 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.

