

CAPITAL MARKETS ANNOUNCEMENT

Live Oak Bancshares, Inc. (NASDAQ: LOB; Wilmington, NC) Closes \$81.6 Million Initial Public Offering of Common Stock

Sandler O'Neill + Partners L.P. served as joint lead book-running manager for this transaction

This transaction represents the 108th public offering or private placement of common stock for a bank or thrift since January 1, 2011 for which Sandler O'Neill acted as book-runner, co-manager or placement agent—more than any other investment bank during that period. These transactions have raised approximately \$21.2 billion for our clients.¹

Since January 1, 2014, Sandler O'Neill has acted as a book-runner or co-manager on 15 bank IPOs—also more than any other investment bank during that time period.^{1 2}

About the Offering:

WILMINGTON, North Carolina—July 28, 2015—Live Oak Bancshares, Inc. ("Live Oak"), parent company and registered bank holding company of Live Oak Banking Company, today announced the closing of its initial public offering of common stock. Live Oak sold a total of 4,800,000 shares of its voting common stock. The voting common stock is listed on the NASDAQ Global Select Market under the symbol "LOB" and began trading on July 23, 2015. Live Oak intends to use the net proceeds of this offering to support organic growth in their existing industry verticals, for expansion into new industry verticals and for general corporate purposes among other things.

About the Company:

Live Oak is an established national online platform for small business lending. Live Oak believes it can use technology to fundamentally change small business lending by streamlining the borrower experience. The Company is able to better serve its customers by leveraging technological advantages and combining that with deep industry experience to create an optimized borrowing experience for customers. Live Oak believes its business model mitigates credit risk while capitalizing on technology to efficiently and prudently generate loans. Live Oak's guiding principles, in order of priority, are soundness, profitability and growth.

This announcement is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy securities.

- 1) Source: SNL Financial
- 2) Does not combine the results of advisors which have merged until the date such merger was completed

July 28, 2015

Initial Public Offering

\$81.6 Million



LIVE OAK BANK

Joint Lead Book-Running Manager

SANDLER O'NEILL + PARTNERS

Financial Highlights (as of 3/31/2015)

(Dollars in thousands)

Total Assets	\$723,032
Total Loans	525,523
Total Deposits	556,083
Total Equity	100,168
Net Income	8,053
MRQ ROAA	4.14%
MRQ ROAE	35.28%
NPAs/Assets	0.74%

Source: SNL Financial

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