



Live Oak Bank's Vision to Change the Infrastructure of Banking Begins with Successful Conversion to Finxact Core

September 7, 2021

WILMINGTON, N.C., Sept. 07, 2021 (GLOBE NEWSWIRE) -- Live Oak Bancshares (Live Oak) announced today it successfully converted Live Oak Bank deposit customers from its legacy core system to the Finxact cloud-based core.

The conversion of more than 60,000 customer accounts, the largest conversion Finxact has made to date, is a major milestone in converting all Live Oak Bank customers to Finxact's leading core as a service platform, giving Live Oak Bank an unencumbered banking foundation that allows it to build products and services using next-generation technology.

"We have accomplished a remarkable feat. Converting onto a next-generation core is akin to replacing a combustible engine with an electric one – it takes inventiveness, time and determination – and we have done it," said Live Oak Bancshares Chairman and CEO James S. (Chip) Mahan, III. "Finxact, along with the ecosystem that includes Apiture, Savana, Payrailz, and DefenseStorm, is the fundamental bedrock on which Live Oak is building the bank of the future to better serve our customers."

Finxact is a high performance, highly scalable, real-time position platform that includes a comprehensive and extensible financial services model exposed as APIs. By accessing its open platform, Live Oak Bank can invent, curate, and launch products at the speed required to meet customer expectations in today's marketplace.

"Live Oak is a story of innovation and bold decision making. Because of its leadership the bank will be more adaptive and able to compete at a different level. But there will be broader implications of their actions. Through their vision and determination, Chip Mahan and the Live Oak team have pioneered a critical improvement in the way core banking will be done in the US going forward," said Frank Sanchez, CEO and founder of Finxact.

The conversion to Finxact took place over the weekend of August 20, and the process was punctuated by several highlights that illustrate how impactful the platform is:

- Conversion process was completed 16 hours ahead of schedule
- Total end-to-end conversion and validation process took 44 hours
- 100% balance and account accuracy achieved
- More than 60,000 deposit accounts were converted
- More than 69,000 Live Oak Bank accounts now sit on the Finxact core (PPP loans were originated on Finxact)

"Living on an API-first platform gives us the ability to build on the fly, offer products quickly, measure results instantly and scale in a matter of minutes instead of days or weeks," said Mark Moroz, head of product at Live Oak Bank. "The flexibility of our platform's architecture allows us to deliver custom products tailored to our customer. This is how banking should be done and it is rewarding to know we can meet customer needs in new and exciting ways now that we are live on Finxact."

Live Oak began its journey to usher in a new core banking system five years ago when Live Oak and other banking leaders asked Finxact founders to create a core as a service platform that allows banks to do what they currently cannot do today – seamlessly make changes to products and services to give customers the best banking experience possible. Live Oak knew there was a better way and found incredible team members and partners who believe in fundamentally overhauling the system to break the outdated position many banks are in.

"Every bank CEO and CIO in the country should be sitting up and taking notice," Mahan said. "The days of running on traditional mainframes are ending. To deliver customers the best experience, and to have the ability to create banking solutions that give customers what they need in an agile way, is only possible with cloud-native technologies on open platforms. The banking industry is recognizing the power of open banking, and Live Oak is proud to lead the way in setting the stage for a new era."

Important Note Regarding Forward-Looking Statements

Statements in this press release that are based on other than historical data or that express Live Oak's plans or expectations regarding future events or determinations are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. Statements based on historical data are not intended and should not be understood to indicate Live Oak's expectations regarding future events. Forward-looking statements provide current expectations or forecasts of future events or determinations. These forward-looking statements are not guarantees of future performance or determinations, nor should they be relied upon as representing management's views as of any subsequent date. Forward-looking statements involve significant risks and uncertainties, and actual results may differ materially from those presented, either expressed or implied, in this press release. Factors that could cause actual results to differ materially from those expressed in the forward-looking statements include a reduction in or the termination of the Company's ability to use the technology-based platform that is critical to the success of its business model, including a failure in or a breach of operational or security systems; the impact of heightened regulatory scrutiny of financial products and services and the Company's ability to comply with regulatory requirements and expectations; and the other factors discussed in Live Oak's Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") and available at the SEC's Internet site (<http://www.sec.gov>). Except as required by law, the Company specifically disclaims any obligation to update any factors or to publicly announce the result of revisions to any of the forward-looking statements included herein to reflect future events or developments.

About Live Oak Bancshares

Live Oak Bancshares, Inc. (Nasdaq: LOB) is a financial holding company and parent company of Live Oak Bank. Live Oak Bancshares and its subsidiaries partner with businesses that share a groundbreaking focus on service and technology to redefine banking. To learn more, visit www.liveoakbank.com.

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Source: Live Oak Bancshares, Inc.