

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

OMB APPROVAL	
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Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>Smits Steve</u> (Last) (First) (Middle) 1741 TIBURON DRIVE (Street) WILMINGTON NC 28403 (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>Live Oak Bancshares, Inc. [LOB]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) Chief Credit Officer
	3. Date of Earliest Transaction (Month/Day/Year) 12/02/2020	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Voting Common Stock	12/02/2020		M		4,218	A	(1)	115,176.978	D	
Voting Common Stock	12/02/2020		F		1,886	D	\$43.04	113,290.978	D	

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date					
Performance Restricted Stock Units	(1)	12/02/2020		M		4,218	(2)	(2)	Voting Common Stock	4,218	\$0.00	0	D	
Performance Restricted Stock Units	(1)						(3)	08/10/2028	Voting Common Stock	40,000		40,000	D	
Restricted Stock Units	(4)						(5)	(5)	Voting Common Stock	15,016		15,016	D	
Employee Stock Option (right to buy)	\$4.4						(6)	03/26/2024	Voting Common Stock	63,500		63,500	D	
Employee Stock Option (right to buy)	\$10.63						(7)	02/20/2025	Voting Common Stock	20,000		20,000	D	
Employee Stock Option (right to buy)	\$17						(8)	07/22/2025	Voting Common Stock	30,000		30,000	D	

Explanation of Responses:

- Each performance restricted stock unit ("PRSU") represents a contingent right to receive one share of Live Oak Bancshares, Inc. (the "Company"), voting common stock.
- The PRSUs vested on December 2, 2020. The vesting of the PRSUs was subject to the Company achieving total revenue of at least \$100 million for the period from January 1, 2017 through December 31, 2017. This condition was satisfied on December 31, 2017. Vesting was also contingent upon the Company's voting common stock attaining a closing price equal to or greater than \$38.00 per share for at least twenty (20) consecutive trading days at any time prior to January 31, 2024. On December 2, 2020, the compensation committee of the Company's board of directors certified that this stock price condition had been satisfied and that the PRSUs were vested.
- Ten thousand of the PRSUs will vest upon each attainment of closing prices of the Company's voting common stock of equal to or greater than \$40.00 per share, \$45.00 per share, \$50.00 per share, and \$55.00 per share once they are attained for at least twenty (20) consecutive trading days at any time prior to August 10, 2028.
- Each restricted stock unit ("RSU") represents a right to receive one share of the Company's voting common stock.
- The RSUs vest in five equal annual installments beginning on February 10, 2021, subject to the reporting person's continuous service to the Company or a related entity on such date.
- The shares subject to this option vest and become exercisable yearly in seven installments beginning on March 26, 2015, as follows: 10% of the shares subject to the option vest on each of March 26, 2015, 2016, 2017, 2018, and 2019; and 25% of the shares subject to the option vest on each of March 26, 2020 and 2021.
- The shares subject to this option vest and become exercisable yearly in seven installments beginning on February 20, 2016, as follows: 10% of the shares subject to the option vest on each of February 20, 2016, 2017, 2018, 2019, and 2020; and 25% of the shares subject to the option vest on each of February 20, 2021 and 2022.
- The shares subject to this option vest and become exercisable yearly in seven installments beginning on July 22, 2016, as follows: 10% of the shares subject to the option vest on each of July 22, 2016, 2017, 2018, 2019, and 2020; and 25% of the shares subject to the option vest on each of July 22, 2021 and 2022.

Remarks:

/s/ Jonathan A. Greene, by 12/04/2020

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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