

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* Smits Steve			2. Issuer Name and Ticker or Trading Symbol Live Oak Bancshares, Inc. [LOB]			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		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 02/11/2019			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person		
1741 TIBURON DRIVE			4. If Amendment, Date of Original Filed (Month/Day/Year)					
(Street) WILMINGTON NC 28403								
(City) (State) (Zip)								

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							50,130.978	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						Title
Performance Restricted Stock Units	(1)	02/11/2019		D		50,000	(1)	08/10/2025		Voting Common Stock	50,000	\$0.00	0	D	
Performance Restricted Stock Units	(1)	02/11/2019		A		50,000	(1)	08/10/2028		Voting Common Stock	50,000	\$0.00	50,000	D	
Performance Restricted Stock Units	(2)						(2)	11/30/2023		Voting Common Stock	100,000		100,000	D	
Performance Restricted Stock Units	(3)						(3)	01/31/2024		Voting Common Stock	4,218		4,218	D	
Employee Stock Option (right to buy)	\$4.4						(4)	03/26/2024		Voting Common Stock	63,500		63,500	D	
Employee Stock Option (right to buy)	\$10.63						(5)	02/20/2025		Voting Common Stock	20,000		20,000	D	
Employee Stock Option (right to buy)	\$17						(6)	07/22/2025		Voting Common Stock	30,000		30,000	D	

Explanation of Responses:

- See Remarks.
- Each performance RSU represents a contingent right to receive one share of the Company's voting common stock. The vesting of the performance RSUs under this award is subject to the Company achieving total revenue of at least \$100 million for the period from October 1, 2016 through September 30, 2017. In addition, in order for the RSUs to vest, the Company's voting common stock must attain a closing price equal to or greater than \$34.00 per share for at least twenty (20) consecutive trading days at any time prior to November 30, 2023.
- Each performance RSU represents a contingent right to receive one share of the Company's voting common stock. The vesting of the performance RSUs under this award is subject to the Company achieving total revenue of at least \$100 million for the period from January 1, 2017 through December 31, 2017. In addition, in order for the RSUs to vest, the Company's voting common stock must attain 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.
- 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:

Each performance restricted stock unit ("RSU") represents a contingent right to receive one share of Live Oak Bancshares, Inc. (the "Company") voting common stock. The two reported transactions involve a modification of the terms of the RSUs to lengthen the vesting schedule from seven years to ten years and change the amount of RSUs that vest at various target stock prices. This modification results in the deemed cancellation of the original RSUs and the grant of replacement RSUs. The RSUs were originally granted on August 10, 2018. Under the terms of the original awards, a portion of the RSUs were scheduled to vest if the Company's voting common stock attained various closing prices for at least twenty consecutive trading days at any time prior to August 10, 2025, in accordance with the following: 2.5% of the RSUs were to vest upon the attainment of closing stock prices of \$35.00 per share, \$40.00 per share, \$45.00 per share, and \$50.00 per share, and 90% of the RSUs were to vest upon the attainment of a closing stock price of \$55.00 per share.

As modified, a portion of the RSUs will vest if the Company's voting common stock attains various closing prices for at least twenty consecutive trading days at any time prior to August 10, 2028, in accordance with the following: 20% of the RSUs will vest upon the attainment of closing stock prices of \$35.00 per share, \$40.00 per share, \$45.00 per share, \$50.00 per share, and \$55.00 per share.

/s/ Jonathan A. Greene, by
Power of Attorney

02/13/2019

** Signature of Reporting Person

Date

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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