

Board of Governors of the Federal Reserve System



Annual Report of Holding Companies—FR Y-6

Report at the close of business as of the end of fiscal year

This Report is required by law: Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844 (c)(1)(A)); Section 8(a) of the International Banking Act (12 U.S.C. § 3106(a)); Sections 11(a)(1), 25 and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); Section 211.13(c) of Regulation K (12 C.F.R. § 211.13(c)); and Section 225.5(b) of Regulation Y (12 C.F.R. § 225.5(b)) and section 10(c)(2)(H) of the Home Owners' Loan Act. Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

This report form is to be filed by all top-tier bank holding companies and top-tier savings and loan holding companies organized under U.S. law, and by any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under Section 211.23 of Regulation K (12 C.F.R. § 211.23). (See page one of the general instructions for more detail of who must file.) The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, an information collection unless it displays a currently valid OMB

NOTE: The Annual Report of Holding Companies must be signed by one director of the top-tier holding company. This individual should also be a senior official of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior official and is also a director, the chairman of the board must sign the report.

Date of Report (top-tier holding company's fiscal year-end):
12/31/2013
Month / Day / Year

1. William L. Williams, II
Name of the Holding Company Director and Official
Vice Chairman / Corporate Relationship
Title of the Holding Company Director and Official
Manager

Reporter's Name, Street, and Mailing Address:
Live Oak Bancshares, Inc.
Legal Title of Holding Company
1741 Tiburon Drive
(Mailing Address of the Holding Company) Street / P.O. Box
Wilmington NC 28403
City State Zip Code

attest that the Annual Report of Holding Companies (including the supporting attachments) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

Physical location (if different from mailing address)

With respect to information regarding individuals contained in this report, the Reporter certifies that it has the authority to provide this information to the Federal Reserve. The Reporter also certifies that it has the authority, on behalf of each individual, to consent or object to public release of information regarding that individual. The Federal Reserve may assume, in the absence of a request for confidential treatment submitted in accordance with the Board's "Rules Regarding Availability of Information," 12 C.F.R. Part 261, that the Reporter and individual consent to public release of all details in the report concerning that individual.

Person to whom questions about this report should be directed:
S. Brett Caines Chief Financial Officer
Name Title
910-796-1645
Area Code / Phone Number / Extension
910-799-7104
Area Code / FAX Number
brett.caines@liveoakbank.com
E-mail Address
www.liveoakbank.com
Address (URL) for the Holding Company's web page

Signature of Holding Company Director and Official
[Signature]

Date of Signature
For holding companies not registered with the SEC—
Indicate status of Annual Report to Shareholders:
 Is included with the FR Y-6 report
 will be sent under separate cover
 is not prepared

For Federal Reserve Bank Use Only
RSSD ID 3884863
C.I.

Does the reporter request confidential treatment for any portion of this submission?
 Yes Please identify the report items to which this request applies:
 In accordance with the instructions on pages GEN-2 and 3, a letter justifying the request is being provided.
 The information for which confidential treatment is sought is being submitted separately labeled "Confidential."
 No SEC 6.20.14

Form FR Y-6

LIVE OAK BANCSHARES, INC
Wilmington, North Carolina
Fiscal Year Ending December 31, 2013

Report Item 1: Annual Report to Shareholders

The bank holding company prepares an annual report for its shareholders. Three copies are enclosed.

Report Item 2: Organizational Chart

| <u>ID/ISSD</u> | <u>LEGAL NAME</u> | <u>ADDRESS</u> | <u>INTERCOMPANY OWNERSHIP</u> | <u>OWNERSHIP %</u> | <u>MANAGEMENT</u> |
|----------------|--------------------------------|--------------------------------|-----------------------------------|--------------------|--|
| 3884983 | Live Oak Bancshares, Inc | Wilmington, North Carolina, US | Bank Holding Company | | Managing Direct Holder of Live Oak Banking Company, Independence Aviation, LLC, and Government Loan Solutions, Inc |
| 3850906 | Live Oak Banking Company | Wilmington, North Carolina, US | Subsidiary-State Non-member Bank | 100% | Managing Direct Holder of Live Oak #1; Live Oak Bancshares, Inc (Manager) |
| 4362301 | Independence Aviation, LLC | Wilmington, North Carolina, US | Subsidiary Non-Bank Other Company | 100% | Live Oak Bancshares, Inc (Manager) |
| 4552312 | Government Loan Solutions, Inc | Wilmington, North Carolina, US | Subsidiary Non-Bank Other Company | 100% | Live Oak Bancshares, Inc (Manager) |
| 4552673 | 504 Fund Advisors, LLC | Lisle, Illinois, US | Subsidiary Non-Bank Other Company | 50% | Live Oak Bancshares, Inc (Limited Partner/NonManaging Member) |
| 4367028 | nCino, Inc | Wilmington, North Carolina, US | Subsidiary Non-Bank Other Company | 46% | Live Oak Bancshares, Inc (Minority Interest) |

Report Item 2b: Depository Institution Branch Listing
Detail report enclosed.

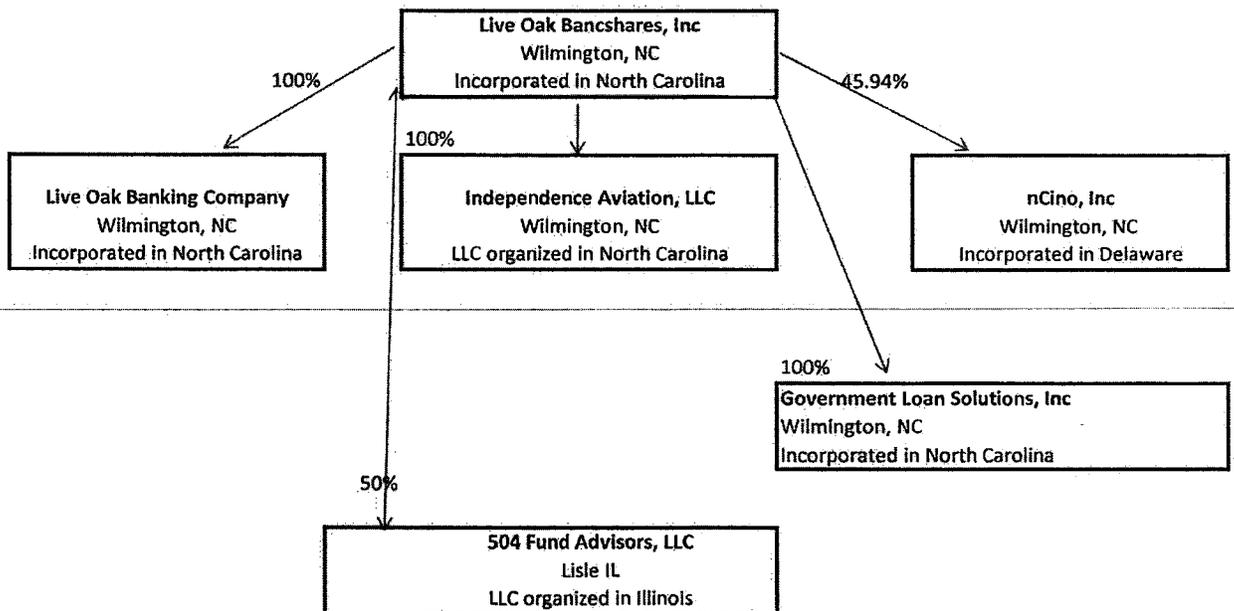
Report Item 3: Shareholders

Detail report enclosed.

Report Item 4: Insiders

Detail report enclosed.

As of 12/31/2013



FR Y-6

12/31/2013

Item 3.1

List of individuals/companies that held voting securities of 5% or more at fiscal year end:

| (1)(a) Name/City, State, Country | (1)(b) Country of Citizenship or Incorporation | (1)(c) Number of Each Class of Voting Securities-All Common Stock | (1)(c) Percentage of Each Class of Voting Securities-All Common Stock |
|---|--|---|--|
| Mahan, III James S. Trustee of the James S. Mahan, III Revocable Trust under agreement dated August 22, 2006 Wilmington, NC, USA | USA | 299,877 | 14.76% |
| Mahan, Marguerite D. Trustee of the Marguerite D. Mahan Revocable Trust under agreement dated August 22, 2006 Wilmington, NC, USA | USA | 299,877 | 14.76% |
| Koury, Maurice J. Burlington, NC, USA | USA | 192,000 | 9.45% |
| Cameron, Bruce B Wilmington, NC, USA | USA | 124,069 | 6.11% |
| Williams, III, William L. and Elizabeth L. Williams, JT TEN Wilmington, NC, USA | USA | 120,000 | 6.03% |
| Underwood, Neil Lawrence Wilmington, NC, USA | USA | 115,001 | 5.66% |

Item 3.2

List of individuals/companies that held 5% or more voting securities during the year but not at the end of the year:

None

Report Item 4: Insiders

(1), (2), (3)(a)(b)(c), and 4(a)(b)(c)

| Name, City, State, Country | Occupation if other than with Bank Holding Company | Title & Position with Bank Holding Company | Title & Position with Subsidiaries | Title & Position with Other Businesses (include names of other businesses) | Voting Shares/Percentage in Bank Holding Company | Percentage of Voting Shares in Subsidiaries (include names of subsidiaries) | List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held) |
|--|--|--|--|--|---|---|--|
| William L. Williams, III Wilmington, NC USA | n/a | Vice Chairman and Director | EVP, Corporate Relationship Officer and Director-Live Oak Banking Company Director-504 Fund Advisors Director-GLS | | 124,431 / 6.03% | .18% - nCino, Inc | Homestay, Inc – 50% Medical Park Hotels, LLC – 25% Billee, LLC – 50% WLW Family Holdings, LLC – 42% |
| Glen F. Hoffsis Westerville, OH USA | Consultant; retired Dean of the College of Veterinary Medicine – University of Florida | Director | Director-Live Oak Banking Company | Partner – Greenbriar Veterinary Services Director - Citizens Bank, Asheville, OH Director – Banfield Pet Hospital, Portland, OR | 3,883 / 0.19% | .09% - nCino, Inc | Greenbriar Veterinary Services – 50% |
| James S. Mahan, III, Trustee of the James S. Mahan Revocable Trust under Agreement dated 8/22/2006 Wilmington, NC USA | n/a | Chairman, CEO and Director | Chairman, CEO and Director-Live Oak Banking Company Chairman/Director- nCino | Director – Magnolia Credit | 299,877 / 14.76% | 6.07% - nCino, Inc | |

| | | | | | | | |
|--|--|---------------------------------|---|--|---------------------|-------------------|---|
| | | | Director-504 Fund Advisors Director-GLS | | | | |
| Marguerite D. Mahan, Trustee of the Marguerite D. Mahan Revocable Trust under Agreement dated 8/22/2006 Wilmington, NC USA | n/a | n/a | n/a | n/a | 299,877 / 14.76% | n/a | |
| H. Kel Landis, III Raleigh, NC USA | Principal – Plexus Capital Management, LLC | Director | Director-Live Oak Banking Company | Principal – Plexus Capital Management, LLC | 20,000 / 0.98% | .18% - nCino, Inc | |
| David G. Lucht Wilmington, NC USA | n/a | Chief Risk Officer and Director | EVP, Chief Risk Officer and Director-Live Oak Banking Company | n/a | 20,000 / 0.98% | .38% - nCino, Inc | |
| | | | Director-nCino Director-504 Fund Advisors Director-GLS Manager-Independence Aviation | | | | |
| William H. Cameron Wilmington, NC USA | Partner and Principal of Cameron family businesses | Director | Director-Live Oak Banking Company | President of Cameron Management, Inc | 24,330 / 1.20% | .76% - nCino, Inc | Cameron Management, Inc. – 50% WHC Holdings LLC – 100% TriState Properties – 100% |
| Neil L. Underwood | n/a | President and | President and | Sole Owner – | 115,001 / | 5.63% - nCino, | Underwood Ventures – |

| | | | | | | | |
|---|--|----------------------------|---|--|-------------------|----------------------|---|
| Wilmington, NC USA | | Director | Director-Live Oak Banking Company Director-nCino | Underwood Ventures Partner – Global Benefit Advisors Partner - NuEquity | 5.66% | Inc | 100% Global Benefit Advisors – 50% NuEquity – 100% |
| Milton E. Petty Burlington, NC USA | Chief Financial Officer-Carolina Hosiery Mills, Inc. | Director | Director-Live Oak Banking Company | Chief Financial Officer-Carolina Hosiery Mills, Inc. | 8,000 / 0.39% | .19% - nCino, Inc | n/a |
| Jerald L. Pullins New Canaan, CT USA | Consultant and Manager/Director of healthcare companies | Director | Director-Live Oak Banking Company | Managing Member, SeniorCare Homes LLC; Chairman of the Board of Directors, US Physical Therapy, Inc; Chairman of the Board of Directors, Pet Partners, LLC | 17,500 / 0.86% | .18% - nCino, Inc | SeniorCare Homes, LLC- 99% voting control |
| Steven Brett Caines Wilmington, NC USA | n/a | Chief Financial Officer | Chief Financial Officer-Live Oak Banking Company Director-GLS Manager- Independence Aviation | n/a | 12,505 / 0.62% | .09% - nCino, Inc | n/a |
| Caroline Esmond Prescott, AZ USA | n/a | Chief Credit Officer | Chief Credit Officer-Live Oak Banking Company | n/a | 413 / 0.02% | n/a | n/a |