

Board of Governors of the Federal Reserve System



Annual Report of Holding Companies—FR Y-6

FRB RICHMOND

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)); sections 8(a) and 13(a) of the International Banking Act (12 U.S.C. §§ 3106(a) and 3108(a)); sections 11(a)(1), 25, and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); and sections 113, 165, 312, 618, and 809 of the Dodd-Frank Act (12 U.S.C. §§ 5361, 5365, 5412, 1850a(c)(1), and 5468(b)(1)). 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, top-tier savings and loan holding companies, and U.S. intermediate 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 control number.

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. If the holding company is an ESOP/ESOT formed as a corporation or is an LLC, see the General Instructions for the authorized individual who must sign the report.

Date of Report (top-tier holding company's fiscal year-end):

December 31, 2018

Month / Day / Year

N/A

Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)

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 North Carolina 28403

City State Zip Code

Physical Location (if different from mailing address)

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

910-218-7763

Area Code / FAX Number

brett.caines@liveoak.bank

E-mail Address

www.liveoakbank.com

Address (URL) for the Holding Company's web page

I, James S. Mahan, III

Name of the Holding Company Director and Official

Chairman of Board/CEO

Title of the Holding Company Director and Official

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.

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.

James S. Mahan, III

Signature of Holding Company Director and Official

3/21/2019

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.

Is confidential treatment requested for any portion of this report submission?	0=No 1=Yes	<input type="checkbox"/>
In accordance with the General Instructions for this report (check only one),		
1. a letter justifying this request is being provided along with the report	<input type="checkbox"/>	
2. a letter justifying this request has been provided separately ...	<input type="checkbox"/>	
NOTE: Information for which confidential treatment is being requested must be provided separately and labeled as "confidential."		

Form FR Y-6

LIVE OAK BANCSHARES, INC
 Wilmington, North Carolina
 Fiscal Year Ending December 31, 2018

Report Item 1: Annual Report to Shareholders

The bank holding company prepares an audited annual report for its shareholders and it is part of its annual SEC Form 10-K filing.

Report Item 2: Organization Chart

<u>ID RSSD</u>	<u>LEGAL NAME</u>	<u>ADDRESS</u>	<u>INTERCOMPANY OWNERSHIP</u>	<u>OWNERSHIP %</u>	<u>MANAGEMENT</u>
					Managing Direct Holder of Live Oak Banking Company; Live Oak Ventures, Inc.; Live Oak Clean Energy Financing, LLC; and Government Loan Solutions, Inc
3884863	Live Oak Bancshares, Inc	Wilmington, North Carolina, US	Financial Holding Company		
3650808	Live Oak Banking Company	Wilmington, North Carolina, US	Subsidiary-State Non-member Bank	100%	Live Oak Bancshares, Inc (Manager)
4558312	Government Loan Solutions, Inc	Wilmington, North Carolina, US	Subsidiary Non-Bank Other Company	100%	Live Oak Bancshares, Inc (Manager)
4905813	Live Oak Grove, LLC	Wilmington, North Carolina, US	Subsidiary Non-Bank Other Company	100%	Live Oak Bancshares, Inc. (Non-Managing Member)
4552673	504 Fund Advisors, LLC	Wilmington, North Carolina, US	Subsidiary Non-Bank Other Company	100%	Live Oak Bancshares, Inc (Non-Managing Member)
5046937	Live Oak Ventures, Inc	Wilmington, North Carolina, US	Subsidiary Non-Bank Other Company	100%	Live Oak Bancshares, Inc (Manager)
5278710	Live Oak Private Wealth, LLC	Wilmington, North Carolina, US	Subsidiary Non-Bank Other Company	100%	Live Oak Bancshares, Inc (Non-Managing Member)
5167216	Apiture, LLC	Wilmington, North Carolina, US	Subsidiary Non-Bank Other Company	50%	Live Oak Bancshares, Inc (Non-Managing Member)
5130304	Payrailz, LLC	Glastonbury, Connecticut, US	Subsidiary Non-Bank Other Company	<25%	Live Oak Bancshares, Inc (Non-Managing Member)
5298361	Live Oak Clean Energy Financing, LLC	Wilmington, North Carolina, US	Subsidiary Non-Bank Other Company	100%	Live Oak Bancshares, Inc (Manager)
	Finxact LLC	Jacksonville, FL, US			Not reportable on FRY-10
	Kwipped, Inc	Wilmington, North Carolina, US			Not reportable on FRY-10
	Greenlight Financial Technology, Inc	Atlanta, GA, US			Not reportable on FRY-10

Report Item 2b: Depository Institution Branch Listing

Detail report enclosed.

Report Item 3: Securities Holders

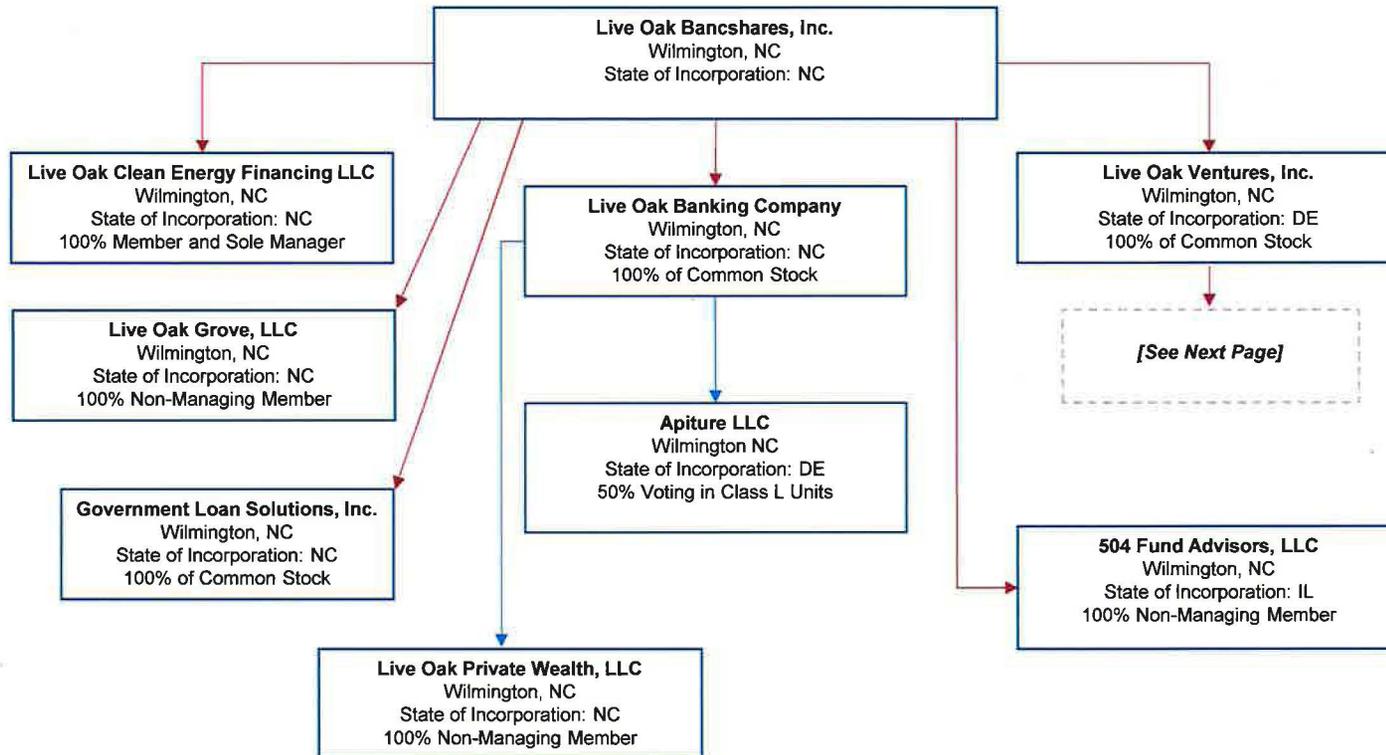
Detail report enclosed.

Report Item 4: Insiders

Detail report enclosed.

Item 2

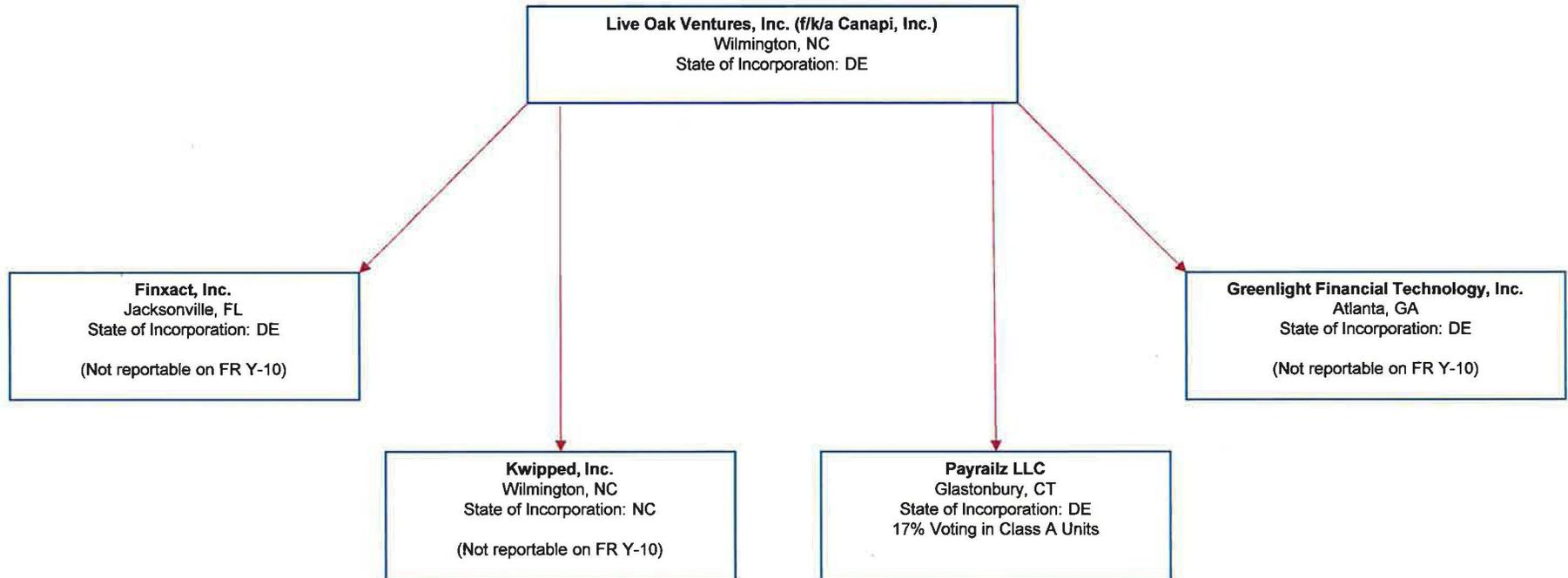
Live Oak Bancshares, Inc. Organizational Chart as of 12/31/18*



* No entities have an LEI

Item 2

Live Oak Ventures, Inc. Organizational Chart as of 12/31/18*



* No entities have an LEI

Live Oak Bancshares, Inc.
 Wilmington, NC 28403
 2018 FRY-6
 Item 2b.

Results: A list of branches for your depository institution: LIVE OAK BANKING COMPANY (ID_RSSD: 3650808).
 This depository institution is held by LIVE OAK BANCSHARES, INC. (3884863) of WILMINGTON, NC.
 The data are as of 12/31/2018. Data reflects information that was received and processed through 01/06/2019.

Reconciliation and Verification Steps

1. In the Data Action column of each branch row, enter one or more of the actions specified below
2. If required, enter the date in the Effective Date column

Actions

- OK:** If the branch information is correct, enter 'OK' in the Data Action column.
- Change:** If the branch information is incorrect or incomplete, revise the data, enter 'Change' in the Data Action column and the date when this information first became valid in the Effective Date column.
- Close:** If a branch listed was sold or closed, enter 'Close' in the Data Action column and the sale or closure date in the Effective Date column.
- Delete:** If a branch listed was never owned by this depository institution, enter 'Delete' in the Data Action column.
- Add:** If a reportable branch is missing, insert a row, add the branch data, and enter 'Add' in the Data Action column and the opening or acquisition date in the Effective Date column.

If printing this list, you may need to adjust your page setup in MS Excel. Try using landscape orientation, page scaling, and/or legal sized paper.

Submission Procedure

When you are finished, send a saved copy to your FRB contact. See the detailed instructions on this site for more information.
 If you are e-mailing this to your FRB contact, put your institution name, city and state in the subject line of the e-mail.

Note:

To satisfy the FR Y-10 reporting requirements, you must also submit FR Y-10 Domestic Branch Schedules for each branch with a Data Action of Change, Close, Delete, or Add.
 The FR Y-10 report may be submitted in a hardcopy format or via the FR Y-10 Online application - <https://y10online.federalreserve.gov>.

* FDIC UNINUM, Office Number, and ID_RSSD columns are for reference only. Verification of these values is not required.

Data Action	Effective Date	Branch Service Type	Branch ID_RSSD*	Popular Name	Street Address	City	State	Zip Code	County	Country	FDIC UNINUM*	Office Number*	Head Office	Head Office ID_RSSD*	Comments
OK		Full Service (Head Office)	3650808	LIVE OAK BANKING COMPANY	1741 TIBURON DRIVE	WILMINGTON	NC	28403	NEW HANOVER	UNITED STATES	Not Required	Not Required	LIVE OAK BANKING COMPANY	3650808	

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12/31/2018

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 Voting Common Stock	(1)(c) Percentage of Each Class of Voting Securities-All Voting 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	6,488,432	18.27%
T. Rowe Price Associates, Inc. Baltimore, MD, USA	USA	5,122,164	14.42%

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:

RMB Capital Holdings, LLC Chicago, IL, USA	USA	1,720,320	4.84%
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Report Item 4: Insiders

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

Note: See "Legend" below table for abbreviations used for subsidiary names.

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	Voting Shares/Percentage in Bank Holding Company	Percentage of Voting Shares in Subsidiaries	List names of other companies (includes partnerships) if 25% or more of voting securities are held
William H. Cameron Wilmington, NC USA	Partner and Principal of Cameron family businesses	Director	Director – Live Oak Bank	President – Cameron Management, Inc. President – Dan Cameron Family Foundation (nonprofit) President – Bayshore Estates, Inc. President – TriState Properties, Inc. Trustee – GST Exempt Trust FBO William H. Cameron Trustee – William H. Cameron Revocable Trust Trustee – 1986 Grandchildrens Trust	140,659 / 0.4% Common Stock 30,000 / 0.1% Options on Common Stock	n/a	Cameron Management, Inc. – 50% Cameron HR, LLC – 58.34% Mary Jo Pappas Designs, Inc. – 100% WHC Holdings LLC – 100% TriState Properties, Inc. – 100%

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	Voting Shares/Percentage in Bank Holding Company	Percentage of Voting Shares in Subsidiaries	List names of other companies (includes partnerships) if 25% or more of voting securities are held
Diane B. Glossman New Hope, PA USA	Retired Investment Analyst and Consultant	Director	Director – Live Oak Bank	Director – Barclays US LLC Director – Barclays Bank of Delaware Director – Bucks County SPCA	28,102 / 0.1% Common Stock 30,000 / 0.1% Options on Common Stock	n/a	n/a
Glen F. Hoffsis Bonita Springs, FL USA	Special Assistant to the President of Lincoln Memorial University	Director	Director – Live Oak Bank	Trustee – Ross University Medical Group	92,192 / 0.3% Common Stock 24,000 / 0.1% Options on Common Stock	n/a	n/a
H. Kel Landis, III Raleigh, NC USA	Principal – Plexus Capital Management, LLC	Director	Director – Live Oak Bank	Principal – Plexus Capital Management, LLC	195,310 / 0.5% Common Stock 30,000 / 0.1% Options on Common Stock	n/a	n/a

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	Voting Shares/Percentage in Bank Holding Company	Percentage of Voting Shares in Subsidiaries	List names of other companies (includes partnerships) if 25% or more of voting securities are held
James S. Mahan, III Wilmington, NC USA	n/a	Chairman, CEO and Director	Director, Chairman and CEO – Live Oak Bank Director – Apiture Manager – 504FA Director – GLS Director, Chairman, CEO and Managing Director – LOVE CEO – LOCEF Manager - LOPW Director – Payrailz	Director – Plexus Capital Management, LLC Director, President – Salt Water Fund (nonprofit corporation)	3,125,218 / 8.8% Common Stock (held by James S. Mahan Revocable Trust) 3,209,714 / 9.0% Common Stock (held by Marguerite D. Mahan Revocable Trust) 153,500 / 0.4% Common Stock (held by Salt Water Fund)	2.33% in Payrailz 4.91% in Finxact	Peapod II, LLC – 100%
Miltom E. Petty Burlington, NC USA	Chief Financial Officer – Carolina Hosiery Mills, Inc.	Director	Director – Live Oak Bank	CFO – Carolina Hosiery Mills, Inc.	89,512 / 0.3% Common Stock 30,000 / 0.1% Options on Common Stock	n/a	n/a

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	Voting Shares/Percentage in Bank Holding Company	Percentage of Voting Shares in Subsidiaries	List names of other companies (includes partnerships) if 25% or more of voting securities are held
Jerald L. Pullins Hobe Sound, FL USA	Consultant and Manager of healthcare companies	Director	Director – Live Oak Bank	Managing Member – SeniorCare Homes LLC Chairman, Director – US Physical Therapy, Inc. Chairman, Director – Baldwin Brothers Cremation Society, Inc. Trustee – Nancy J. Pullins Revocable Trust Trustee – Jerald L. Pullins Revocable Trust	246,590 / 0.7% Common Stock 18,000 / 0.1% Options on Common Stock	n/a	SeniorCare Homes, LLC- 60% Baldwin Brothers Cremation Society, Inc. – 43% SeniorCare Real Estate, LLC – 99%
Neil L. Underwood Wilmington, NC USA	n/a	President and Director	Director – Live Oak Bank Director – Apiture Director, President & Managing Director – LOVE President – LOCEF Director – Payrailz	Sole Owner – Underwood Ventures Sole Owner – NuEquity Director – DefenseStorm, Inc.	1,298,269 / 3.7% Common Stock	2.33% in Payrailz 1.98% in Finxact	Underwood Ventures – 100% NuEquity – 100%

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	Voting Shares/Percentage in Bank Holding Company	Percentage of Voting Shares in Subsidiaries	List names of other companies (includes partnerships) if 25% or more of voting securities are held
William L. Williams, III Wilmington, NC USA	n/a	Vice Chairman and Director	Director, Vice Chairman and EVP – Live Oak Bank Manager – 504FA Director – GLS EVP – LOCEF	n/a	1,371,520 / 3.9% Common Stock	n/a	Medical Park Hotels, LLC – 25% Billee, LLC – 50% WLW Family Holdings, LLC – 60% Eucallee, LLC – 25%
S. Brett Caines Wilmington, NC USA	n/a	Chief Financial Officer	CFO – Live Oak Bank Director, Treasurer – GLS Director, CFO – LOVe CFO – LOCEF Manager – 504FA Manager and CFO - LOPW	n/a	263,952 / 0.7% Common Stock	n/a	n/a
Gregory W. Seward Wilmington, NC USA	n/a	General Counsel	General Counsel and Corp. Secretary – Live Oak Bank General Counsel and Corp. Secretary - LOVe Corp. Secretary – GLS	n/a	12,000 / 0.0% Common Stock 30,000 / 0.1% Options on Common Stock	n/a	n/a

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	Voting Shares/Percentage in Bank Holding Company	Percentage of Voting Shares in Subsidiaries	List names of other companies (includes partnerships) if 25% or more of voting securities are held
			General Counsel and Corp. Secretary – LOCEF General Counsel and Corp. Secretary – LOPW				
Steven J. Smits Wilmington, NC USA	n/a	Chief Credit Officer	CCO – Live Oak Bank CCO – LOCEF	n/a	50,130 / 0.1% Common Stock 113,500 / 0.3% Options on Common Stock	n/a	n/a
J.Wesley Sutherland Wilmington, NC USA	n/a	Chief Accounting Officer	CAO – Live Oak Bank CAO – LOVe CAO – LOCEF	n/a	34,462 / 0.1% Common Stock 30,000 / 0.1% Options on Common Stock	n/a	n/a
M. Huntley Garriott, Jr. Wilmington, NC USA	n/a	n/a	President – Live Oak Bank	n/a	35,000 / 0.1% Common Stock	n/a	n/a
Susan N. Janson Wilmington, NC USA	n/a	n/a	Chief Risk Officer & Interim CRA Officer – Live Oak Bank Manager - LOPW	n/a	2,000 / 0.0% Common Stock	n/a	n/a
T. Rowe Price Associates, Inc. Baltimore, MD USA*	Money Manager	Principal Shareholder	n/a	Unknown	5,122,164 / 14.4% Common Stock	n/a	Unknown

* A Schedule 13G/A filed on February 14, 2019, by T. Rowe Price Associates, Inc. and T. Rowe Price Small-Cap Value Fund, Inc. reported beneficial ownership of 5,122,164 shares of voting common stock as of December 31, 2018, with (i) T. Rowe Price Associates, Inc. having sole voting power over 1,051,734 shares and sole dispositive power over 5,122,164 shares and (ii) T. Rowe Price Small-Cap Value Fund, Inc. having sole voting power over 2,256,254 shares.

Legend:

504FA = 504 Fund Advisors, LLC

Apiture = Apiture LLC

Finxact = Finxact, Inc.

GLS = Government Loan Solutions, Inc.

Live Oak Bank = Live Oak Banking Company

LOCEF = Live Oak Clean Energy Financing LLC

LOPW = Live Oak Private Wealth, LLC

LOVe = Live Oak Ventures, Inc. (f/k/a Canapi, Inc.)

Payrailz = Payrailz, LLC