Live Oak Bancshares, Inc.
Form 5
February 14, 2017

FORM 5

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).
Form 3 Holdings Reported
Form 4 Transactions Reported

1. Name and Address of Reporting Person *
Smits Steve

(Last) (First) (Middle)

1741 TIBURON DRIVE

(Street)

WILMINGTON,Â NCÂ 28403

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
Live Oak Bancshares, Inc. [LOB]

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
12/31/2016

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director
_____ 10% Owner
__X__ Officer (give title below)
_____ Other (specify below)
Chief Credit Officer

6. Individual or Joint/Group Reporting

(check applicable line)

_X_ Form Filed by One Reporting Person
___ Form Filed by More than One Reporting Person

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 at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				Amount	(A) or (D)	Price			
Voting Common Stock	Â	Â	Â	Â	Â	Â	60,130.978 (1)	D	Â

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

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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 Underlying Securities (Instr. 3 and 4)	
					(A)	(D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
Performance Restricted Stock Units	Â	Â	Â	Â	Â	Â	Â (2)	01/31/2024	Voting Common Stock	4,218
Performance Restricted Stock Units	Â	Â	Â	Â	Â	Â	Â (3)	11/30/2023	Voting Common Stock	100,00
Employee Stock Option (right to buy)	$ 4.4	Â	Â	Â	Â	Â	Â (4)	03/26/2024	Voting Common Stock	63,500
Employee Stock Option (right to buy)	$ 10.63	Â	Â	Â	Â	Â	Â (5)	02/20/2025	Voting Common Stock	20,000
Employee Stock Option (right to buy)	$ 17	Â	Â	Â	Â	Â	Â (6)	07/22/2025	Voting Common Stock	30,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Smits Steve 1741 TIBURON DRIVE WILMINGTON,Â NCÂ 28403	Â	Â	Â Chief Credit Officer	Â

Signatures

/s/ Jonathan A. Greene, by Power of Attorney	02/14/2017
**Signature of Reporting Person	Date

Explanation of Responses:

***** 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).

(1) Includes 130.978 shares purchased through the automatic reinvestment of dividends.

(2) 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 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.

(3) 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.

(4) 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.

(5) 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.

(6) 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.

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