UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended September 30, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from ____________ to __________

Commission file number 001-38487

Origin Bancorp, Inc.

(Exact name of registrant as specified in its charter)

Louisiana	**72-1192928**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

500 South Service Road East
Ruston, Louisiana 71270
(318) 255-2222
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Exchange on which registered
Common Stock, par value $5.00 per share	OBK	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☒	Accelerated filer	☐	Non-accelerated filer	☐	Smaller reporting company	☐	Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date: 31,168,734 shares of Common Stock, par value $5.00 per share, were issued and outstanding at October 31, 2024.

ORIGIN BANCORP, INC.

FORM 10-Q

SEPTEMBER 30, 2024

INDEX

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Statements preceded by, followed by or that otherwise include the words "anticipates," "believes," "estimates," "expects," "foresees," "intends," "plans," "projects," and similar expressions or future or conditional verbs such as "could," "may," "might," "should," "will," and "would," or variations or negatives of such terms are generally forward-looking in nature and not historical facts, although not all forward-looking statements include the foregoing words. Forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about our industry, management's beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions and uncertainties that are difficult to predict. Although we believe that the expectations reflected in our forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements.

There are or will be important factors that could cause our actual results to differ materially from those indicated in these forward-looking statements, including, but not limited to, the following:

- economic uncertainty or a deterioration in economic conditions or slowdowns in economic growth in the United States generally, and particularly in the market areas in which we operate and in which our loans are concentrated, including declines in home sale volumes and financial stress on borrowers (consumers and businesses) as a result of fluctuating interest rates or an uncertain economic environment;
- adverse developments in the banking industry highlighted by high-profile bank failures and the impact of such developments on customer confidence, liquidity, and regulatory responses to these developments (including increases in the cost of our deposit insurance assessments and increased regulatory scrutiny), our ability to effectively manage our liquidity risk and any growth plans and the availability of capital and funding;
- our ability to comply with applicable capital and liquidity requirements, including our ability to generate liquidity internally or raise capital on favorable terms, including continued access to the debt and equity capital markets;
- fluctuating and/or volatile interest rates, capital markets and the impact of inflation on our business and financial results, as well as the impact on our customers (including the velocity and levels of deposit withdrawals and loan repayments);
- the impact of fluctuating interest rates on our financial projections, models and guidance;
- changes in the interest rate environment may reduce interest margins;
- prepayment speeds, loan origination and sale volumes, charge-offs and loan loss provisions may vary substantially from period to period;
- global business and economic conditions and in the financial services industry, nationally and within our local market areas;
- an increase in unemployment levels, slowdowns in economic growth and threats of recession;
- customer income, creditworthiness and confidence, spending and savings that may affect customer bankruptcies, defaults, charge-offs and deposit activity;
- the credit risk associated with the substantial amount of commercial real estate, construction and land development, and commercial loans in our loan portfolio;
- the credit risks of lending activities, including our ability to estimate credit losses and the allowance for credit losses, as well as the effects of changes in the level of, and trends in, loan delinquencies and write-offs.
- factors that can impact the performance of our loan portfolio, including real estate values and liquidity in our primary market areas, the financial health of our commercial borrowers and the success of construction projects that we finance, including any loans acquired in merger/acquisition transactions;

- changes in the prices, values and sales volumes of residential and commercial real estate, especially as they relate to the value of collateral supporting the Company's loans;
- natural disasters and adverse weather events (including hurricanes), acts of terrorism, an outbreak of hostilities, (including the impacts related to or resulting from Russia's military action in Ukraine, and the ongoing conflict in Israel and the surrounding region, including the imposition of additional sanctions and export controls, as well as the broader impacts to financial markets and the global macroeconomic and geopolitical environments), regional or national protests and civil unrest (including any resulting branch closures or property damage), widespread illness or public health outbreaks or other international or domestic calamities, and other matters beyond our control;
- system failures, cybersecurity threats and/or security breaches and the cost of defending against them and any reputational or other financial risks following such a cybersecurity incident;
- the failure to maintain an effective system of controls and procedures, including internal control over financial and non-financial reporting;
- deterioration of our asset quality;
- risks associated with widespread inflation or deflation;
- the risks of mergers, acquisitions and divestitures, including our ability to continue to identify acquisition or merger targets and successfully acquire and integrate desirable financial institutions;
- changes in the value of collateral securing our loans;
- our ability to anticipate interest rate changes and manage interest rate risk;
- the effectiveness of our risk management framework and quantitative models;
- the impact of fraud or misconduct by internal or external parties (including Origin employees), which we may not be able to prevent, detect or mitigate;
- our inability to receive dividends from our bank subsidiary and to service debt, pay dividends to our common stockholders, repurchase our shares of common stock and satisfy obligations as they become due;
- changes in our operation or expansion strategy or our ability to prudently manage our growth and execute our strategy;
- changes in management personnel;
- our ability to maintain important deposit customer relationships, our reputation or otherwise avoid liquidity risks;
- increasing costs as we grow and compete for deposits;
- operational risks associated with our business;
- increased competition in the financial services industry, particularly from regional and national institutions, as well as fintech companies, may accelerate due to the current economic environment;
- our level of nonperforming assets and the costs associated with resolving any problem loans, including litigation and other costs;
- potential claims, damages, penalties, fines and reputational damage resulting from pending or future litigation, regulatory proceedings or enforcement actions;
- risks related to environmental, social and governance ("ESG") strategies and initiatives, the scope and pace of which could alter our reputation and shareholder, associate, customer and third-party affiliations;
- changes in the utility of our non-GAAP measurements and their underlying assumptions or estimates;

- changes in the laws, rules, regulations, interpretations or policies relating to financial institutions, as well as tax, trade, monetary and fiscal matters;
- periodic changes to the extensive body of accounting rules and best practices, may change the treatment and recognition of critical financial line items and affect our profitability;
- further government intervention in the U.S. financial system;
- results of upcoming local and national elections;
- compliance with governmental and regulatory requirements, including the Dodd-Frank Wall Street Reform and Consumer Protection Act and others relating to banking, consumer protection, securities and tax matters;
- a deterioration of the credit rating for U.S. long-term sovereign debt, actions that the U.S. government may take to avoid exceeding the debt ceiling, and uncertainties surrounding the debt ceiling and the federal budget;
- the risk that the regulatory environment may not be conducive to, or may prohibit the consummation of, future mergers and/or business combinations, may increase the length of time and amount of resources required to consummate such transactions, and the potential to reduce anticipated benefits from such mergers or combinations; and
- our ability to manage the risks involved in the foregoing.

The foregoing factors should not be construed as exhaustive and should be read together with the other cautionary statements included in this report. If one or more events related to these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may differ materially from what we anticipate. In addition, as a result of these and other factors, our past financial performance should not be relied upon as an indication of future performance. Accordingly, you should not place undue reliance on any forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made, and we do not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. New risks and uncertainties emerge from time to time, and it is not possible for us to predict those events or how they may affect us. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

ORIGIN BANCORP, INC.
Consolidated Balance Sheets
(Dollars in thousands, except per share amounts)

	September 30, 2024	December 31, 2023
Assets	(Unaudited)	
Cash and due from banks	$ 159,337	$ 127,278
Interest-bearing deposits in banks	161,854	153,163
Total cash and cash equivalents	321,191	280,441
Securities:		
Available for sale	1,160,965	1,253,631
Held to maturity, net allowance for credit losses of $52 and $63 at September 30, 2024, and December 31, 2023, respectively (fair value of $10,701 and $10,848 at September 30, 2024, and December 31, 2023, respectively)	11,096	11,615
Securities carried at fair value through income	6,533	6,808
Total securities	1,178,594	1,272,054
Non-marketable equity securities held in other financial institutions	67,068	55,190
Loans held for sale at fair value	7,631	16,852
Loans, net of allowance for credit losses of $95,989 and $96,868 at September 30, 2024, and December 31, 2023, respectively	7,860,801	7,564,076
Premises and equipment, net	126,751	118,978
Mortgage servicing rights (“MSR”)	—	15,637
Cash surrender value of bank-owned life insurance	40,602	39,905
Goodwill	128,679	128,679
Other intangible assets, net	39,272	45,452
Accrued interest receivable and other assets	195,397	185,320
Total assets	$ 9,965,986	$ 9,722,584
Liabilities and Stockholders’ Equity		
Noninterest-bearing deposits	$ 1,893,767	$ 1,919,638
Interest-bearing deposits	5,238,259	4,918,597
Time deposits	1,354,542	1,412,890
Total deposits	8,486,568	8,251,125
Federal Home Loan Bank (“FHLB”) advances, repurchase agreements and other borrowings	30,446	83,598
Subordinated indebtedness, net	159,861	194,279
Accrued expenses and other liabilities	143,438	130,677
Total liabilities	8,820,313	8,659,679
Commitments and contingencies - See *Note 12 — Commitments and Contingencies*	—	—
Stockholders’ equity:		
Common stock ($5.00 par value; 50,000,000 shares authorized; 31,167,410 and 30,986,109 shares issued at September 30, 2024, and December 31, 2023, respectively)	155,837	154,931
Additional paid-in capital	535,662	528,578
Retained earnings	548,419	500,419
Accumulated other comprehensive loss	(94,245)	(121,023)
Total stockholders’ equity	1,145,673	1,062,905
Total liabilities and stockholders’ equity	$ 9,965,986	$ 9,722,584

The accompanying condensed notes are an integral part of these consolidated financial statements.

ORIGIN BANCORP, INC.
Consolidated Statements of Income
(Unaudited)
(Dollars in thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	**2023**	**2024**	**2023**
Interest and dividend income				
Interest and fees on loans	$ 133,195	$ 121,204	$ 390,260	$ 343,142
Investment securities-taxable	6,536	8,194	19,991	24,658
Investment securities-nontaxable	905	1,281	2,708	3,974
Interest and dividend income on assets held in other financial institutions	3,621	4,772	11,793	16,132
Total interest and dividend income	144,257	135,451	424,752	387,906
Interest expense				
Interest-bearing deposits	67,051	55,599	195,362	136,686
FHLB advances and other borrowings	482	3,207	1,514	17,038
Subordinated indebtedness	1,920	2,515	5,859	7,614
Total interest expense	69,453	61,321	202,735	161,338
Net interest income	74,804	74,130	222,017	226,568
Provision for credit losses	4,603	3,515	12,846	14,018
Net interest income after provision for credit losses	70,201	70,615	209,171	212,550
Noninterest income				
Insurance commission and fee income	6,928	6,443	21,318	19,639
Service charges and fees	4,664	4,621	14,214	13,914
Other fee income	2,114	2,006	6,765	5,970
Mortgage banking revenue	1,153	892	5,429	4,075
Swap fee income	106	366	207	1,081
Gain (loss) on sales of securities, net	221	(7,173)	(182)	(7,029)
Change in fair value of equity investments	—	10,096	5,188	10,096
Other income	803	868	2,770	2,393
Total noninterest income	15,989	18,119	55,709	50,139
Noninterest expense				
Salaries and employee benefits	38,491	34,624	112,418	102,888
Occupancy and equipment, net	6,298	6,790	19,952	19,871
Data processing	3,470	2,775	10,083	8,528
Office and operations	2,984	2,868	8,558	7,887
Intangible asset amortization	1,905	2,264	6,179	7,369
Regulatory assessments	1,791	1,913	5,367	4,596
Advertising and marketing	1,449	1,371	4,221	4,296
Professional services	2,012	1,409	4,546	4,491
Loan-related expense	751	1,220	2,733	3,941
Electronic banking	1,308	1,384	3,785	3,609
Franchise tax expense	721	520	2,013	2,392
Other expense	1,341	1,525	5,761	4,442
Total noninterest expense	62,521	58,663	185,616	174,310
Income before income tax expense	23,669	30,071	79,264	88,379
Income tax expense	5,068	5,758	17,042	18,004
Net income	$ 18,601	$ 24,313	$ 62,222	$ 70,375
Basic earnings per common share	$ 0.60	$ 0.79	$ 2.00	$ 2.29
Diluted earnings per common share	0.60	0.79	2.00	2.28

The accompanying condensed notes are an integral part of these consolidated financial statements.

ORIGIN BANCORP, INC.
Consolidated Statements of Comprehensive Income (Loss)
(Unaudited)
(Dollars in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income	$ 18,601	$ 24,313	$ 62,222	$ 70,375
Other comprehensive income (loss)				
Securities available for sale and transferred securities:				
Net unrealized holding gain (loss) arising during the period	42,227	(32,357)	33,974	(23,355)
Reclassification adjustment for net (gain) loss included in net income	(221)	7,173	182	7,029
Change in the net unrealized gain (loss) on available for sale investment securities, before tax	42,006	(25,184)	34,156	(16,326)
Net loss realized as a yield adjustment in interest on transferred investment securities	(2)	(3)	(8)	(8)
Change in the net unrealized gain (loss) on investment securities, before tax	42,004	(25,187)	34,148	(16,334)
Income tax expense (benefit) related to net unrealized gain (loss) arising during the period	8,821	(5,289)	7,171	(3,430)
Change in the net unrealized gain (loss) on investment securities, net of tax	33,183	(19,898)	26,977	(12,904)
Cash flow hedges:				
Net unrealized (loss) gain arising during the period	(198)	167	77	1,078
Reclassification adjustment for net gain included in net income	(111)	(106)	(329)	(1,014)
Change in the net unrealized (loss) gain on cash flow hedges, before tax	(309)	61	(252)	64
Income tax (benefit) expense related to net unrealized gain (loss) on cash flow hedges	(65)	13	(53)	14
Change in net unrealized net (loss) gain on cash flow hedges, net of tax	(244)	48	(199)	50
Other comprehensive income (loss), net of tax	32,939	(19,850)	26,778	(12,854)
Comprehensive income	$ 51,540	$ 4,463	$ 89,000	$ 57,521

The accompanying condensed notes are an integral part of these consolidated financial statements.

ORIGIN BANCORP, INC.
Consolidated Statements of Changes in Stockholders' Equity
(Unaudited)
(Dollars in thousands, except per share amounts)

	Common Shares Outstanding	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Equity
Balance at January 1, 2023	30,746,600	$ 153,733	$ 520,669	$ 435,416	$ (159,875)	$ 949,943
Net income	—	—	—	24,302	—	24,302
Other comprehensive income, net of tax	—	—	—	—	21,394	21,394
Stock-based compensation expense	—	—	1,391	—	—	1,391
Stock-based compensation shares issued, net of shares withheld	9,750	49	(138)	—	—	(89)
Exercise of stock options, net of shares withheld	24,503	122	202	—	—	324
Dividends declared - common stock ($0.15 per share)	—	—	—	(4,678)	—	(4,678)
Balance at March 31, 2023	30,780,853	153,904	522,124	455,040	(138,481)	992,587
Net income	—	—	—	21,760	—	21,760
Other comprehensive loss, net of tax	—	—	—	—	(14,398)	(14,398)
Stock-based compensation expense	—	—	1,160	—	—	1,160
Stock-based compensation shares issued, net of shares withheld	23,647	118	(118)	—	—	—
Exercise of stock options, net of shares withheld	15,492	78	250	—	—	328
Shares issued under employee stock purchase program	46,213	231	886	—	—	1,117
Dividends declared - common stock ($0.15 per share)	—	—	—	(4,695)	—	(4,695)
Balance at June 30, 2023	30,866,205	154,331	524,302	472,105	(152,879)	997,859
Net income	—	—	—	24,313	—	24,313
Other comprehensive loss, net of tax	—	—	—	—	(19,850)	(19,850)
Stock-based compensation expense	—	—	1,335	—	—	1,335
Stock-based compensation shares issued, net of shares withheld	27,388	137	(354)	—	—	(217)
Exercise of stock options, net of shares withheld	13,123	66	151	—	—	217
Dividends declared - common stock ($0.15 per share)	—	—	—	(4,712)	—	(4,712)
Balance at September 30, 2023	30,906,716	$ 154,534	$ 525,434	$ 491,706	$ (172,729)	$ 998,945

The accompanying condensed notes are an integral part of these consolidated financial statements.

Table of Contents

ORIGIN BANCORP, INC.

Consolidated Statements of Changes in Stockholders' Equity - Continued

(unaudited)

(Dollars in thousands, except per share amounts)

	Common Shares Outstanding	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
Balance at January 1, 2024	30,986,109	$ 154,931	$ 528,578	$ 500,419	$ (121,023)	$ 1,062,905
Net income	—	—	—	22,632	—	22,632
Other comprehensive loss, net of tax	—	—	—	—	(3,886)	(3,886)
Stock-based compensation expense	—	—	2,079	—	—	2,079
Stock-based compensation shares issued, net of shares withheld	20,108	101	(286)	—	—	(185)
Exercise of stock options, net of shares withheld	5,087	25	9	—	—	34
Dividends declared - common stock ($0.15 per share)	—	—	—	(4,726)	—	(4,726)
Balance at March 31, 2024	31,011,304	155,057	530,380	518,325	(124,909)	1,078,853
Net income	—	—	—	20,989	—	20,989
Other comprehensive loss, net of tax	—	—	—	—	(2,275)	(2,275)
Stock-based compensation expense	—	—	1,688	—	—	1,688
Stock-based compensation shares issued, net of shares withheld	37,064	185	(284)	—	—	(99)
Exercise of stock options, net of shares withheld	3,641	18	63	—	—	81
Shares issued under employee stock purchase program	56,658	283	1,103	—	—	1,386
Dividends declared - common stock ($0.15 per share)	—	—	—	(4,729)	—	(4,729)
Balance at June 30, 2024	31,108,667	155,543	532,950	534,585	(127,184)	1,095,894
Net income	—	—	—	18,601	—	18,601
Other comprehensive income, net of tax	—	—	—	—	32,939	32,939
Stock-based compensation expense	—	—	2,186	—	—	2,186
Stock-based compensation shares issued, net of shares withheld	24,316	122	(367)	—	—	(245)
Exercise of stock options, net of shares withheld	34,427	172	893	—	—	1,065
Dividends declared - common stock ($0.15 per share)	—	—	—	(4,767)	—	(4,767)
Balance at September 30, 2024	31,167,410	$ 155,837	$ 535,662	$ 548,419	$ (94,245)	$ 1,145,673

The accompanying condensed notes are an integral part of these consolidated financial statements.

ORIGIN BANCORP, INC.
Consolidated Statements of Cash Flows
(Unaudited)
(Dollars in thousands)

	Nine Months Ended September 30,	
Cash flows from operating activities:	**2024**	**2023**
Net income	$ 62,222	$ 70,375
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit losses	12,846	14,018
Depreciation and amortization	12,266	13,333
Net amortization on securities	3,647	5,309
Accretion of net premium/discount on purchased loans	(10)	(2,067)
Amortization of investments in tax credit funds	1,316	1,368
Loss on sale of securities, net	182	7,029
Deferred income (benefit) tax expense	(1,194)	14,499
Stock-based compensation expense	5,953	3,886
Originations of mortgage loans held for sale	(151,535)	(148,866)
Proceeds from mortgage loans held for sale	144,682	127,574
Gain on mortgage loans held for sale and, for the nine months ended September 30, 2023, origination of MSR	(3,836)	(3,036)
MSR valuation adjustment	(450)	485
Gain on sale of MSR	(410)	—
Net (gain) loss on disposals of premises and equipment	(828)	2
Increase in the cash surrender value of life insurance	(697)	(648)
Gain on equity securities without a readily determinable fair value	(5,188)	(10,096)
Net losses on sales and write-downs of other real estate owned	11	1
Net change in operating leases	1,372	(793)
Increase in other assets	(8,942)	(8,718)
Increase in other liabilities	7,199	16,820
Net cash provided by operating activities	78,606	100,475
Cash flows from investing activities:		
Purchases of securities available for sale	(53,840)	(751)
Maturities and pay downs of securities available for sale	126,687	107,679
Proceeds from sales and calls of securities available for sale	54,984	214,302
Maturities, pay downs and calls of securities held to maturity	522	486
Pay downs of securities carried at fair value	299	285
Redemption of non-marketable equity securities held in other financial institutions[1]	10,680	—
Purchase of non-marketable equity securities held in other financial institutions[1]	(16,880)	—
Net sales (purchases) of non-marketable equity securities held in other financial institutions[1]	(6,200)	15,025
Originations of mortgage warehouse loans	(7,224,096)	(5,048,595)
Proceeds from pay-offs of mortgage warehouse loans	7,058,874	5,047,169
Net increase in loans, excluding mortgage warehouse and loans held for sale	(133,143)	(449,804)
Proceeds from sale of MSR	15,885	—
Return of capital and other distributions from limited partnership investments	296	1,591
Capital calls on limited partnership investments	(980)	(2,156)
Purchase of low-income housing tax credit investments	(83)	(538)
Purchases of premises and equipment	(16,602)	(17,514)
Proceeds from sales of premises and equipment	3,572	49
Proceeds from sales of other real estate owned	1,130	—
Net cash used in investing activities	(172,695)	(132,772)

The accompanying condensed notes are an integral part of these consolidated financial statements.

ORIGIN BANCORP, INC.
Consolidated Statements of Cash Flows - Continued
(Unaudited)
(Dollars in thousands)

	Nine Months Ended September 30,	
Cash flows from financing activities:	**2024**	**2023**
Net increase in deposits	$ 235,443	$ 598,786
Repayments of long-term FHLB advances	(205)	(199)
Proceeds from short-term FHLB advances	1,685,000	5,890,000
Repayments of short-term FHLB advances	(1,735,000)	(6,440,000)
Repurchase of subordinated debentures	(34,599)	(4,729)
Repayments of other short-term borrowings	—	(30,000)
Net decrease in securities sold under agreements to repurchase	(2,947)	(22,250)
Dividends paid	(14,067)	(13,912)
Cash received from exercise of stock options	1,214	907
Net cash provided by (used in) financing activities	134,839	(21,397)
Net increase (decrease) in cash and cash equivalents	40,750	(53,694)
Cash and cash equivalents at beginning of period	280,441	358,972
Cash and cash equivalents at end of period	$ 321,191	$ 305,278
Interest paid	$ 199,497	$ 151,130
Income taxes paid	24,169	483
Significant non-cash transactions:		
Real estate acquired in settlement of loans	3,576	3,243
Transfers from loans held for sale to loans held for investment [1]	16,095	—
Decrease in Government National Mortgage Association (“GNMA”) repurchase obligation	—	(24,569)
Recognition of operating right-of-use assets	11,456	16,225
Recognition of operating lease liabilities	12,613	16,187

[1] No change was made to the prior period presentation due to immateriality.

The accompanying condensed notes are an integral part of these consolidated financial statements.

Note 1 — Significant Accounting Policies

Nature of Operations. Origin Bancorp, Inc. ("Company" or "Origin") is a financial holding company headquartered in Ruston, Louisiana. Origin's wholly owned bank subsidiary, Origin Bank, was founded in 1912 in Choudrant, Louisiana. Deeply rooted in Origin's history is a culture committed to providing personalized relationship banking to businesses, municipalities, and personal clients to enrich the lives of the people in the communities it serves. Origin provides a broad range of financial services and currently operates more than 60 locations in Dallas/Fort Worth, East Texas, Houston, North Louisiana, Mississippi, South Alabama and the Florida Panhandle. The Company principally operates in one business segment, community banking.

Basis of Presentation. The consolidated financial statements in this quarterly report on Form 10-Q include the accounts of the Company and all other entities in which Origin Bancorp, Inc. has a controlling financial interest, including the Bank and Forth Insurance, LLC. All significant intercompany balances and transactions have been eliminated in consolidation. The Company's accounting and financial reporting policies conform, in all material respects, to generally accepted accounting principles in the United States ("U.S. GAAP") and to general practices within the financial services industry. The Company has evaluated subsequent events for potential recognition and/or disclosure through the date these consolidated financial statements were issued.

The consolidated financial statements in this quarterly report on Form 10-Q have not been audited by an independent registered public accounting firm, excluding the figures as of December 31, 2023, but in the opinion of management, reflect all adjustments (which are of a normal recurring nature) necessary for a fair presentation of the Company's financial position and results of operations for the periods presented. These consolidated financial statements of the Company have been prepared in accordance with U.S. GAAP and with the rules and regulations of the Securities and Exchange Commission (the "SEC") for interim financial reporting. Accordingly, they do not include all of the information and notes required by U.S. GAAP for complete financial statements.

These consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto for the year ended December 31, 2023, included in the Company's annual report on Form 10-K ("2023 Form 10-K") filed with the SEC. Operating results for the interim periods disclosed herein are not necessarily indicative of results that may be expected for a full year.

Use of Estimates. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions based on available information that affect the amounts reported in the financial statements and disclosures provided, including the accompanying notes, and actual results could differ. Material estimates that are particularly susceptible to change include the allowance for credit losses for loans, off-balance sheet commitments and available for sale securities; fair value measurements of assets and liabilities; and income taxes. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the Company's consolidated financial statements in the period they are deemed necessary. While management uses its best judgment, actual results could differ from those estimates.

Reclassifications. Certain amounts previously reported have been reclassified to conform to the current presentation. Such reclassifications had no effect on prior year net income or stockholders' equity.

Investments in Tax Credit Entities. As part of its Community Reinvestment Act responsibilities and due to their favorable economic characteristics, the Company invests in tax credit-motivated projects primarily in the markets it serves. These projects are directed at tax credits issued under Low-Income Housing Tax Credits ("LIHTC"). The Company generates returns on tax credit motivated projects through the receipt of federal, and if applicable, state tax credits. The federal tax credits are recorded as an offset to the income tax provision in the year that they are earned under federal income tax law over 10 to 15 years beginning in the year in which rental activity commences. These credits, if not used in the tax return for the year of origination, can be carried forward for 20 years.

The Company invests in a tax credit entity, usually an LLC, which owns the real estate. The Company receives a nonvoting interest in the entity that must be retained during the compliance period for the credits (15 years for Low-Income Housing Tax Credit programs). Control of the tax credit entity rests in the 0.1% interest general partner, who has the power and authority to make decisions that impact economic performance of the project and is required to oversee and manage the project. Due to the lack of any voting, economic, or managerial control, and due to the contractual reduction in the investment, the Company accounts for its investment by amortizing the investment, beginning at the issuance of the certificate of occupancy of the project, over the compliance period, as management believes any potential residual value in the real estate will have limited value. Amortization is included as a component of income tax expense and for the three and nine months ended September 30, 2024, was $486,000 and $1.3 million, respectively. Amortization included as a component of income tax expense for the three and nine months ended September 30, 2023, was $461,000 and $1.4 million, respectively. The income tax credits and other income tax benefits recognized and included as a component of income tax expense on the Consolidated Statements of Income for the three and nine months ended September 30, 2024, was $504,000 and $1.5 million, respectively, and the income tax credits and other income tax benefits recognized for the three and nine months ended September 30, 2023, was $569,000 and $1.7 million.

The Company has the risk of credit recapture if the projects do not maintain compliance during the compliance period. No such events have occurred to date. At September 30, 2024, and December 31, 2023, the Company had investments in tax credit entities of $6.3 million and $7.6 million, respectively, which are included in accrued interest receivable and other assets in the accompanying Consolidated Balance Sheets.

Effect of Recently Adopted Accounting Standards

ASU No. 2021-08, Business Combinations (Topic 805) — Accounting for Contract Assets and Contract Liabilities from Contracts with Customers. The amendments in this Update affect accounting for acquired revenue contracts with customers in a business combination by addressing diversity in practice and inconsistency related to recognition of an acquired contract liability and payment terms and their effect on subsequent revenue recognized by the acquirer. The ASU is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Implementation of this ASU did not materially impact the Company’s financial statements or disclosures.

ASU No. 2022-01, Derivatives and Hedging (Topic 815) — Fair Value Hedging - Portfolio Layer Method. The amendments in this Update clarify the accounting for and promote consistency in the reporting of hedge basis adjustments applicable to both a single hedged layer and multiple hedged layers. Additionally, this Update allows entities to elect to apply the portfolio layer method of hedge accounting in accordance with Topic 815. The ASU is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Implementation of this ASU did not materially impact the Company’s financial statements or disclosures.

ASU No. 2022-02, Financial Instruments - Credit Losses (Topic 326) — Troubled Debt Restructurings and Vintage Disclosures. The amendments in this Update eliminate the accounting guidance for TDRs by creditors in Subtopic 310-40, Receivables—Troubled Debt Restructurings by Creditors, while enhancing disclosure requirements for certain loan refinancings and restructurings by creditors when a borrower is experiencing financial difficulty. Specifically, rather than applying the recognition and measurement guidance for TDRs, an entity must apply the loan refinancing and restructuring guidance in paragraphs 310-20-35-9 through 35-11 to determine whether a modification results in a new loan or a continuation of an existing loan. For public business entities, the amendments in this Update require that an entity disclose current-period gross write-offs by year of origination for financing receivables and net investments in leases within the scope of Subtopic 326-20, Financial Instruments—Credit Losses—Measured at Amortized Cost. The ASU is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Implementation of this ASU did not materially impact the Company’s financial statements or disclosures.

ASU No. 2022-06, Reference Rate Reform (Topic 848) - Deferral of the Sunset Date of Topic 848 — The amendments in this Update provide temporary relief during the transition period in complying with Update No. 2020-04, Reference Rate Reform (Topic 848) - Facilitation of the Effects of Reference Rate Reform on Financial Reporting, which provides optional guidance to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting. The Board included a sunset provision within Topic 848 based on expectations of when the London Interbank Offered Rate (LIBOR) would cease being published. At the time that Update 2020-04 was issued, the UK Financial Conduct Authority (FCA) had established its intent that it would no longer be necessary to persuade, or compel, banks to submit to LIBOR after December 31, 2021. As a result, the sunset provision was set for December 31, 2022 - 12 months after the expected cessation date of all currencies and tenors of LIBOR. In March 2021, the FCA announced that the intended cessation date of the overnight 1-, 3-, 6-, and 12-month tenors of USD LIBOR would be June 30, 2023, which is beyond the current sunset date of Topic 848.

Because the relief in Topic 848 may not cover a period of time during which a significant number of modifications may take place, the amendments in this Update defer the sunset date of Topic 848 from December 31, 2022, to December 31, 2024, after which entities will no longer be permitted to apply the relief in Topic 848. The ASU is effective immediately. Implementation of this ASU did not materially impact the Company's financial statements or disclosures.

ASU No. 2023-02, Investments - Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method — The amendments in this Update allow entities to elect to account for equity investments made primarily for the purpose of receiving income tax credits using the proportional amortization method, regardless of the tax credit program through which the investment earns income tax credits, if certain conditions are met. The amendments in this Update also eliminate certain low income housing tax credits (“LIHTC”)-specific guidance to align the accounting more closely for LIHTCs with the accounting for other equity investments in tax credit structures and require that the delayed equity contribution guidance apply only to tax equity investments accounted for using the proportional amortization method. The ASU is effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Implementation of this ASU did not materially impact the Company's financial statements or disclosures.

Effect of Newly Issued But Not Yet Effective Accounting Standards

ASU No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures — The amendments in this Update improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The amendments in this Update:

1. Require that a public entity disclose, on an annual and interim basis, significant segment expenses that are regularly provided to the chief operating decision maker (“CODM”) and included within each reported measure of segment profit or loss (collectively referred to as the “significant expense principle”).
2. Require that a public entity disclose, on an annual and interim basis, an amount for other segment items by reportable segment and a description of its composition. The other segment items category is the difference between segment revenue less the segment expenses disclosed under the significant expense principle and each reported measure of segment profit or loss.
3. Require that a public entity provide all annual disclosures about a reportable segment’s profit or loss and assets currently required by Topic 280 in interim periods.
4. Clarify that if the CODM uses more than one measure of a segment’s profit or loss in assessing segment performance and deciding how to allocate resources, a public entity may report one or more of those additional measures of segment profit. However, at least one of the reported segment profit or loss measures (or the single reported measure, if only one is disclosed) should be the measure that is most consistent with the measurement principles used in measuring the corresponding amounts in the public entity’s consolidated financial statements. In other words, in addition to the measure that is most consistent with the measurement principles under generally accepted accounting principles (GAAP), a public entity is not precluded from reporting additional measures of a segment’s profit or loss that are used by the CODM in assessing segment performance and deciding how to allocate resources.
5. Require that a public entity disclose the title and position of the CODM and an explanation of how the CODM uses the reported measure(s) of segment profit or loss in assessing segment performance and deciding how to allocate resources.
6. Require that a public entity that has a single reportable segment provide all the disclosures required by the amendments in this Update and all existing segment disclosures in Topic 280.

The ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Retrospective application to all periods presented in the financial statements is required. The Company is evaluating the impact of this ASU on its consolidated financial statements and disclosures.

ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures — The amendments in this Update, on an annual basis, require that public business entities (1) disclose specific categories in the rate reconciliation and (2) provide additional information for reconciling items that meet a quantitative threshold. Specifically, public business entities are required to disclose a tabular reconciliation, using both percentages and reporting currency amounts, for specific listed categories.

The ASU is effective for fiscal years beginning after December 15, 2024. The Company is evaluating the impact of this ASU on its consolidated financial statements and disclosures.

Note 2 — Earnings Per Share

Basic and diluted earnings per common share are calculated using the treasury method. Under the treasury method, basic earnings per share is calculated as net income divided by the weighted average number of common shares outstanding during the period. Diluted earnings per share includes the dilutive effect of additional potential common shares issuable under the Company's stock and incentive compensation plans. Information regarding the Company's basic and diluted earnings per common share is presented in the following table:

(Dollars in thousands, except per share amounts)	Three Months Ended September 30,		Nine Months Ended September 30,	
Numerator:	**2024**	**2023**	**2024**	**2023**
Net income	$ 18,601	$ 24,313	$ 62,222	$ 70,375
Denominator:				
Weighted average common shares outstanding	31,130,293	30,856,649	31,051,672	30,797,399
Dilutive effect of stock-based awards	109,584	87,211	109,195	105,823
Weighted average diluted common shares outstanding	31,239,877	30,943,860	31,160,867	30,903,222
Basic earnings per common share	$ 0.60	$ 0.79	$ 2.00	$ 2.29
Diluted earnings per common share	0.60	0.79	2.00	2.28

There were 330,263 and 412,390 weighted average shares of anti-dilutive stock-based awards excluded from the calculation of earnings per share for the three and nine months ended September 30, 2024, respectively, primarily due to the exercise price, grant fair value or purchase price of the stock awards exceeding the average market price of the Company's stock during the respective periods. There were 613,010 and 459,434 weighted average shares of anti-dilutive stock-based awards excluded from the calculation of earnings per share for the three and nine months ended September 30, 2023, respectively, for the same reason.

Note 3 — Securities

The following table is a summary of the amortized cost and estimated fair value, including the allowance for credit losses and gross unrealized gains and losses, of available for sale, held to maturity and securities carried at fair value through income for the dates indicated:

(Dollars in thousands) **September 30, 2024**	**Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Fair Value**	**Allowance for Credit Losses**	**Net Carrying Amount**
Available for sale:						
State and municipal securities	$ 323,507	$ 293	$ (34,938)	$ 288,862	$ —	$ 288,862
Corporate bonds	86,288	286	(6,306)	80,268	—	80,268
U.S. treasury and government agency securities	48,710	5	(3,328)	45,387	—	45,387
Commercial mortgage-backed securities	108,079	30	(7,937)	100,172	—	100,172
Residential mortgage-backed securities	523,289	6	(48,126)	475,169	—	475,169
Commercial collateralized mortgage obligations	51,401	174	(3,065)	48,510	—	48,510
Residential collateralized mortgage obligations	139,580	—	(16,983)	122,597	—	122,597
Total	$ 1,280,854	$ 794	$ (120,683)	$ 1,160,965	$ —	$ 1,160,965
Held to maturity:						
State and municipal securities	$ 11,148	$ —	$ (447)	$ 10,701	$ (52)	$ 11,096
Securities carried at fair value through income:						
State and municipal securities[(1)]	$ 6,515	$ —	$ —	$ 6,533	$ —	$ 6,533
December 31, 2023						
Available for sale:						
State and municipal securities	$ 323,356	$ 210	$ (41,440)	$ 282,126	$ —	$ 282,126
Corporate bonds	92,244	80	(8,689)	83,635	—	83,635
U.S. treasury and government agency securities	84,377	3	(4,740)	79,640	—	79,640
Commercial mortgage-backed securities	104,459	—	(11,063)	93,396	—	93,396
Residential mortgage-backed securities	569,622	—	(63,120)	506,502	—	506,502
Commercial collateralized mortgage obligations	39,386	—	(4,203)	35,183	—	35,183
Residential collateralized mortgage obligations	150,710	—	(20,566)	130,144	—	130,144
Asset-backed securities	43,521	4	(520)	43,005	—	43,005
Total	$ 1,407,675	$ 297	$ (154,341)	$ 1,253,631	$ —	$ 1,253,631
Held to maturity:						
State and municipal securities	$ 11,678	$ —	$ (830)	$ 10,848	$ (63)	$ 11,615
Securities carried at fair value through income:						
State and municipal securities[(1)]	$ 6,815	$ —	$ —	$ 6,808	$ —	$ 6,808

(1) Securities carried at fair value through income have no unrealized gains or losses at the consolidated balance sheet dates as all changes in value have been recognized in the consolidated statements of income. See *Note 5 — Fair Value of Financial Instruments* for more information.

Securities with unrealized losses at September 30, 2024, and December 31, 2023, aggregated by investment category and those individual securities that have been in a continuous unrealized loss position for less than 12 months, and for 12 months or more, were as follows.

(Dollars in thousands)	Less than 12 Months		12 Months or More		Total	
September 30, 2024	**Fair Value**	**Unrealized Loss**	**Fair Value**	**Unrealized Loss**	**Fair Value**	**Unrealized Loss**
Available for sale:						
State and municipal securities	$ 28,402	$ (81)	$ 251,522	$ (34,857)	$ 279,924	$ (34,938)
Corporate bonds	9,826	(685)	63,546	(5,621)	73,372	(6,306)
U.S. treasury and government agency securities	6,986	(11)	34,674	(3,317)	41,660	(3,328)
Commercial mortgage-backed securities	3,034	(37)	95,638	(7,900)	98,672	(7,937)
Residential mortgage-backed securities	6,249	(47)	467,910	(48,079)	474,159	(48,126)
Commercial collateralized mortgage obligations	4,497	(2)	35,168	(3,063)	39,665	(3,065)
Residential collateralized mortgage obligations	—	—	122,597	(16,983)	122,597	(16,983)
Total	$ 58,994	$ (863)	$ 1,071,055	$ (119,820)	$ 1,130,049	$ (120,683)
Held to maturity:						
State and municipal securities	$ —	$ —	$ 10,701	$ (447)	$ 10,701	$ (447)
December 31, 2023						
Available for sale:						
State and municipal securities	$ 27,106	$ (266)	$ 246,442	$ (41,174)	$ 273,548	$ (41,440)
Corporate bonds	4,254	(53)	74,566	(8,636)	78,820	(8,689)
U.S. treasury and government agency securities	—	—	77,340	(4,740)	77,340	(4,740)
Commercial mortgage-backed securities	—	—	93,396	(11,063)	93,396	(11,063)
Residential mortgage-backed securities	60	(5)	506,442	(63,115)	506,502	(63,120)
Commercial collateralized mortgage obligations	—	—	35,183	(4,203)	35,183	(4,203)
Residential collateralized mortgage obligations	—	—	130,144	(20,566)	130,144	(20,566)
Asset-backed securities	7,350	(52)	31,618	(468)	38,968	(520)
Total	$ 38,770	$ (376)	$ 1,195,131	$ (153,965)	$ 1,233,901	$ (154,341)
Held to maturity:						
State and municipal securities	$ 4,717	$ (447)	$ 6,131	$ (383)	$ 10,848	$ (830)

At September 30, 2024, the Company had 568 individual securities that were in an unrealized loss position. Management evaluates available for sale debt securities in unrealized loss positions to determine whether the impairment is due to credit-related factors or noncredit-related factors. Consideration is given to (1) the extent to which the fair value is less than the cost, and (2) the financial condition and near-term prospects of the issuer and (3) the intent and ability of the Company to retain its investment in the security for a period of time sufficient to allow for any anticipated recovery in fair value.

Management does not currently intend to sell any securities in an unrealized loss position and believes that it is more likely than not that the Company will not have to sell any such securities before a recovery of cost. The fair value is expected to recover as the securities approach their maturity date or repricing date or if market yields for such investments decline. Accordingly, at September 30, 2024, management believes that the unrealized losses detailed in the previous table are due to noncredit-related factors, including changes in interest rates and other market conditions.

The following tables present the activity in the allowance for credit losses for held-to-maturity securities.

(Dollars in thousands)	Municipal Securities	
Allowance for credit losses:	**For the Three Months Ended September 30, 2024 & 2023**	
Balance at June 30, 2024	$	57
Provision recovery for credit loss for held to maturity securities		(5)
Balance at September 30, 2024	$	52
Balance at June 30, 2023	$	935
Provision recovery for credit loss for held to maturity securities		(45)
Balance at September 30, 2023	$	890

(Dollars in thousands)	Municipal Securities	
Allowance for credit losses:	**For the Nine Months Ended September 30, 2024 & 2023**	
Balance at January 1, 2024	$	63
Provision recovery for credit loss for held to maturity securities		(11)
Balance at September 30, 2024	$	52
Balance at January 1, 2023	$	899
Provision recovery for credit loss for held to maturity securities		(9)
Balance at September 30, 2023	$	890

Accrued interest of $5.2 million and $6.4 million was not included in the calculation of the allowance or the amortized cost basis of the securities at September 30, 2024 or 2023, respectively. There were no past due or nonaccrual available for sale or held to maturity securities at September 30, 2024 or December 31, 2023.

Proceeds from sales and calls, and related gross gains and losses of securities available for sale, are shown below.

	Nine Months Ended September 30,			
(Dollars in thousands)	2024		2023	
Proceeds from sales/calls	$	54,984	$	214,302
Gross realized gains		357		596
Gross realized losses		(539)		(7,625)

The following table presents the amortized cost and fair value of securities available for sale and held to maturity at September 30, 2024, grouped by contractual maturity. Mortgage-backed securities, collateralized mortgage obligations and asset-backed securities, which do not have contractual payments due at a single maturity date, are shown separately. Actual maturities for mortgage-backed securities, collateralized mortgage obligations, and asset-backed securities will differ from contractual maturities as a result of prepayments made on the underlying loans.

(Dollars in thousands)	Held to Maturity				Available for Sale			
September 30, 2024	Amortized Cost		Fair Value		Amortized Cost		Fair Value	
Due in one year or less	$	—	$	—	$	12,449	$	12,419
Due after one year through five years		—		—		84,650		79,921
Due after five years through ten years		11,148		10,701		207,242		189,784
Due after ten years		—		—		154,164		132,393
Commercial mortgage-backed securities		—		—		108,079		100,172
Residential mortgage-backed securities		—		—		523,289		475,169
Commercial collateralized mortgage obligations		—		—		51,401		48,510
Residential collateralized mortgage obligations		—		—		139,580		122,597
Total	$	11,148	$	10,701	$	1,280,854	$	1,160,965

The following table presents carrying amounts of securities pledged as collateral for deposits and repurchase agreements at the periods presented.

(Dollars in thousands)	September 30, 2024	December 31, 2023
Carrying value of securities pledged to secure public deposits	$ 370,090	$ 421,273
Carrying value of securities pledged to repurchase agreements	4,894	5,477

Note 4 — Loans

Loans consist of the following:

(Dollars in thousands)	September 30, 2024	December 31, 2023
Loans held for sale	$ 7,631	$ 16,852
LHFI:		
Loans secured by real estate:		
Commercial real estate[1]	$ 2,524,764	$ 2,442,734
Construction/land/land development	991,545	1,070,225
Residential real estate	1,848,330	1,734,935
Total real estate	5,364,639	5,247,894
Commercial and industrial	2,074,037	2,059,460
Mortgage warehouse lines of credit	495,188	329,966
Consumer	22,926	23,624
Total LHFI[2]	7,956,790	7,660,944
Less: Allowance for loan credit losses (“ALCL”)	95,989	96,868
LHFI, net	$ 7,860,801	$ 7,564,076

(1) Includes owner occupied commercial real estate of $991.7 million and $953.8 million at September 30, 2024, and December 31, 2023, respectively.
(2) Includes unamortized purchase accounting adjustment and net deferred loan fees of $10.5 million and $11.8 million at September 30, 2024, and December 31, 2023, respectively.

Credit quality indicators. As part of the Company’s commitment to managing the credit quality of its loan portfolio, management annually and periodically updates and evaluates certain credit quality indicators, which include but are not limited to (i) weighted-average risk rating of the loan portfolio, (ii) net charge-offs, (iii) level of non-performing loans, (iv) level of classified loans (defined as substandard, doubtful and loss), and (v) the general economic conditions particularly in the cities and states in which the Company operates. The Company maintains an internal risk rating system where ratings are assigned to individual loans based on assessed risk. Loan risk ratings are the primary indicator of credit quality for the loan portfolio and are continually evaluated to ensure they are appropriate based on currently available information.

The following is a summary description of the Company's internal risk ratings:

• Pass (1-6)	Loans within this risk rating are further categorized as follows:
Minimal risk (1)	Well-collateralized by cash equivalent instruments held by the Banks.
Moderate risk (2)	Borrowers with excellent asset quality and liquidity. Borrowers' capitalization and liquidity exceed industry norms. Borrowers in this category have significant levels of liquid assets and have a low level of leverage.
Better than average risk (3)	Borrowers with strong financial strength and excellent liquidity that consistently demonstrate strong operating performance. Borrowers in this category generally have a sizable net worth that can be converted into liquid assets within 12 months.
Average risk (4)	Borrowers with sound credit quality and financial performance, including liquidity. Borrowers are supported by sufficient cash flow coverage generated through operations across the full business cycle.
Marginally acceptable risk (5)	Loans generally meet minimum requirements for an acceptable loan in accordance with lending policy, but possess one or more attributes that cause the overall risk profile to be higher than the majority of newly approved loans.
Watch (6)	A passing loan with one or more factors that identify a potential weakness in the overall ability of the borrower to repay the loan. These weaknesses are generally mitigated by other factors that reduce the risk of delinquency or loss.
• Special Mention (7)	This grade is intended to be temporary and includes borrowers whose credit quality has deteriorated and is at risk of further decline.
• Substandard (8)	This grade includes "Substandard" loans under regulatory guidelines. Substandard loans exhibit a well-defined weakness that jeopardizes debt repayment in accordance with contractual agreements, even though the loan may be performing. These obligations are characterized by the distinct possibility that a loss may be incurred if these weaknesses are not corrected and repayment may be dependent upon collateral liquidation or secondary source of repayment.
• Doubtful (9)	This grade includes "Doubtful" loans under regulatory guidelines. Such loans are placed on nonaccrual status and repayment may be dependent upon collateral with no readily determinable valuation or valuations that are highly subjective in nature. Repayment for these loans is considered improbable based on currently existing facts and circumstances.
• Loss (0)	This grade includes "Loss" loans under regulatory guidelines. Loss loans are charged-off or written down when repayment is not expected.

In connection with the review of the loan portfolio, the Company considers risk elements attributable to particular loan types or categories in assessing the quality of individual loans. The list of loans to be reviewed for possible individual evaluation consists of unsecured loans over 90 days past due, modified loans to borrowers experiencing financial difficulty, loans greater than $100,000 in which the borrower has filed bankruptcy, collateralized loans 180 days or more past due, classified commercial loans, including non-accrual, over $100,000 with direct exposure, and consumer loans greater than $100,000 with a FICO score under 625. Loans under $50,000 will be evaluated collectively in designated pools unless a loss exposure has been identified. Some additional risk elements considered by loan type include:

- for commercial real estate loans, the debt service coverage ratio, operating results of the owner in the case of owner-occupied properties, the loan to value ratio, the age and condition of the collateral and the volatility of income, property value and future operating results typical of properties of that type;
- for construction, land and land development loans, the perceived feasibility of the project, including the ability to sell developed lots or improvements constructed for resale or the ability to lease property constructed for lease, the quality and nature of contracts for presale or prelease, if any, experience and ability of the developer and loan to value ratio;
- for residential mortgage loans, the borrower's ability to repay the loan, including a consideration of the debt to income ratio and employment and income stability, the loan-to-value ratio, and the age, condition and marketability of the collateral;

- for commercial and industrial loans, the debt service coverage ratio (income from the business in excess of operating expenses compared to loan repayment requirements), the operating results of the commercial, industrial or professional enterprise, the borrower's business, professional and financial ability and expertise, the specific risks and volatility of income and operating results typical for businesses in that category and the value, nature and marketability of collateral; and
- for mortgage warehouse loans, the borrower's adherence to agency or investor underwriting guidelines, while the risk associated with the underlying consumer mortgage loan repayments, similar to other consumer loans, depends on the borrower's financial stability and are more likely than commercial loans to be adversely affected by divorce, job loss, illness and other personal hardships.

Purchased loans that have experienced more than insignificant credit deterioration since origination at the time of acquisition are purchase credit deteriorated ("PCD") loans. An allowance for credit losses is determined using the same methodology as other individually evaluated loans. As a result of the merger with BT Holdings, Inc., ("BTH"), the Company held approximately $25.0 million and $34.8 million of unpaid principal balance PCD loans at September 30, 2024, and December 31, 2023, respectively.

Please see *Note 1 — Significant Accounting Policies* included in the 2023 Form 10-K, filed with the SEC for a description of our accounting policies related to purchased financial assets with credit deterioration.

ORIGIN BANCORP, INC.
Condensed Notes to Consolidated Financial Statements

The following table reflects recorded investments in loans by credit quality indicator and origination year at September 30, 2024, and gross charge-offs for the nine months ended September 30, 2024, excluding loans held for sale. Loans acquired are shown in the table by origination year, not merger date. The Company had an immaterial amount of revolving loans converted to term loans at September 30, 2024.

	Term Loans Amortized Cost Basis by Origination Year							
(Dollars in thousands)	2024	2023	2022	2021	2020	Prior	Revolving Loans Amortized Cost Basis	Total
Commercial real estate:								
Pass	$ 171,343	$ 365,817	$ 947,388	$ 441,211	$ 226,544	$ 294,500	$ 59,202	$ 2,506,005
Special mention	1,248	—	248	27	947	1,261	250	3,981
Classified	2,756	522	1,191	3,357	1,792	4,903	257	14,778
Total commercial real estate loans	$ 175,347	$ 366,339	$ 948,827	$ 444,595	$ 229,283	$ 300,664	$ 59,709	$ 2,524,764
Year-to-date gross charge-offs	$ —	$ 36	$ 193	$ —	$ 251	$ —	$ —	$ 480
Construction/land/land development:								
Pass	$ 111,845	$ 240,725	$ 375,233	$ 163,172	$ 17,844	$ 5,180	$ 50,600	$ 964,599
Special mention	—	—	—	—	—	—	112	112
Classified	2,733	2,275	13,398	5,119	739	228	2,342	26,834
Total construction/land/land development loans	$ 114,578	$ 243,000	$ 388,631	$ 168,291	$ 18,583	$ 5,408	$ 53,054	$ 991,545
Year-to-date gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Residential real estate:								
Pass	$ 153,935	$ 323,765	$ 493,593	$ 314,677	$ 225,524	$ 194,194	$ 109,826	$ 1,815,514
Special mention	—	—	—	18,342	127	310	—	18,779
Classified	1,187	1,340	2,096	3,163	1,161	4,722	368	14,037
Total residential real estate loans	$ 155,122	$ 325,105	$ 495,689	$ 336,182	$ 226,812	$ 199,226	$ 110,194	$ 1,848,330
Year-to-date gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ 11	$ —	$ 11
Commercial and industrial:								
Pass	$ 215,307	$ 302,164	$ 185,177	$ 103,631	$ 23,436	$ 58,308	$ 1,119,291	$ 2,007,314
Special mention	—	75	12,302	—	—	560	2,356	15,293
Classified	6,690	4,930	8,406	5,748	720	658	24,278	51,430
Total commercial and industrial loans	$ 221,997	$ 307,169	$ 205,885	$ 109,379	$ 24,156	$ 59,526	$ 1,145,925	$ 2,074,037
Year-to-date gross charge-offs	$ 797	$ 1,159	$ 1,008	$ 3,858	$ 162	$ 406	$ 13,654	$ 21,044
Mortgage Warehouse Lines of Credit:								
Pass	$ —	$ —	$ —	$ —	$ —	$ —	$ 495,188	$ 495,188
Year-to-date gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Consumer:								
Pass	$ 8,279	$ 5,199	$ 1,701	$ 517	$ 230	$ 88	$ 6,505	$ 22,519
Classified	18	14	126	—	—	5	244	407
Total consumer loans	$ 8,297	$ 5,213	$ 1,827	$ 517	$ 230	$ 93	$ 6,749	$ 22,926
Year-to-date gross charge-offs	$ —	$ 8	$ 28	$ 3	$ —	$ —	$ 41	$ 80

The following table reflects recorded investments in loans by credit quality indicator and origination year at December 31, 2023, and gross charge-offs for the year ended December 31, 2023, excluding loans held for sale. Loans acquired are shown in the table by origination year, not merger date. The Company had an immaterial amount of revolving loans converted to term loans at December 31, 2023.

	Term Loans Amortized Cost Basis by Origination Year							
(Dollars in thousands)	2023	2022	2021	2020	2019	Prior	Revolving Loans Amortized Cost Basis	Total
Commercial real estate:								
Pass	$ 333,887	$ 885,234	$ 470,252	$ 253,700	$ 204,421	$ 188,532	$ 77,993	$ 2,414,019
Special mention	—	—	308	—	—	7,950	—	8,258
Classified	726	4,285	3,212	1,765	524	9,945	—	20,457
Total commercial real estate loans	$ 334,613	$ 889,519	$ 473,772	$ 255,465	$ 204,945	$ 206,427	$ 77,993	$ 2,442,734
Year-to-date gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ 42	$ —	$ 42
Construction/land/land development:								
Pass	$ 259,502	$ 461,373	$ 214,526	$ 21,309	$ 7,221	$ 25,460	$ 42,700	$ 1,032,091
Special mention	746	10,462	19,811	—	—	—	—	31,019
Classified	191	3,132	41	240	662	560	2,289	7,115
Total construction/land/land development loans	$ 260,439	$ 474,967	$ 234,378	$ 21,549	$ 7,883	$ 26,020	$ 44,989	$ 1,070,225
Year-to-date gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Residential real estate:								
Pass	$ 332,874	$ 549,504	$ 289,289	$ 237,813	$ 79,499	$ 142,265	$ 91,972	$ 1,723,216
Special mention	250	—	—	141	—	—	—	391
Classified	689	1,985	1,439	407	1,367	4,949	492	11,328
Total residential real estate loans	$ 333,813	$ 551,489	$ 290,728	$ 238,361	$ 80,866	$ 147,214	$ 92,464	$ 1,734,935
Year-to-date gross charge-offs	$ —	$ —	$ —	$ 5	$ —	$ 22	$ —	$ 27
Commercial and industrial:								
Pass	$ 399,485	$ 272,152	$ 160,636	$ 36,995	$ 57,562	$ 48,523	$ 1,035,021	$ 2,010,374
Special mention	498	6,383	—	—	—	—	650	7,531
Classified	3,583	1,676	12,908	371	470	222	22,325	41,555
Total commercial and industrial loans	$ 403,566	$ 280,211	$ 173,544	$ 37,366	$ 58,032	$ 48,745	$ 1,057,996	$ 2,059,460
Year-to-date gross charge-offs	$ 203	$ 328	$ 233	$ 141	$ 539	$ 679	$ 9,710	$ 11,833
Mortgage Warehouse Lines of Credit:								
Pass	$ —	$ —	$ —	$ —	$ —	$ —	$ 329,966	$ 329,966
Year-to-date gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Consumer:								
Pass	$ 11,053	$ 3,567	$ 1,040	$ 399	$ 470	$ 17	$ 6,988	$ 23,534
Classified	35	42	10	—	2	—	1	90
Total consumer loans	$ 11,088	$ 3,609	$ 1,050	$ 399	$ 472	$ 17	$ 6,989	$ 23,624
Year-to-date gross charge-offs	$ 3	$ 102	$ 7	$ —	$ —	$ 2	$ 33	$ 147

The following tables present the Company’s loan portfolio aging analysis at the dates indicated:

(Dollars in thousands)	September 30, 2024						
	30-59 Days Past Due	60-89 Days Past Due	Loans Past Due 90 Days or More	Total Past Due	Current Loans	Total Loans Receivable	Accruing Loans 90 or More Days Past Due
Loans secured by real estate:							
Commercial real estate	$ 893	$ 59	$ 789	$ 1,741	$ 2,523,023	$ 2,524,764	$ —
Construction/land/land development	44	4,789	51	4,884	986,661	991,545	—
Residential real estate	1,341	7,330	5,289	13,960	1,834,370	1,848,330	—
Total real estate	2,278	12,178	6,129	20,585	5,344,054	5,364,639	—
Commercial and industrial	9,053	1,554	7,233	17,840	2,056,197	2,074,037	—
Mortgage warehouse lines of credit	—	—	—	—	495,188	495,188	—
Consumer	60	16	337	413	22,513	22,926	—
Total LHFI	$ 11,391	$ 13,748	$ 13,699	$ 38,838	$ 7,917,952	$ 7,956,790	$ —

(Dollars in thousands)	December 31, 2023						
	30-59 Days Past Due	60-89 Days Past Due	Loans Past Due 90 Days or More	Total Past Due	Current Loans	Total Loans Receivable	Accruing Loans 90 or More Days Past Due
Loans secured by real estate:							
Commercial real estate	$ 2,264	$ —	$ —	$ 2,264	$ 2,440,470	$ 2,442,734	$ —
Construction/land/land development	834	27	13	874	1,069,351	1,070,225	—
Residential real estate	8,055	1,326	5,960	15,341	1,719,594	1,734,935	—
Total real estate	11,153	1,353	5,973	18,479	5,229,415	5,247,894	—
Commercial and industrial	1,221	713	5,417	7,351	2,052,109	2,059,460	—
Mortgage warehouse lines of credit	—	—	—	—	329,966	329,966	—
Consumer	200	10	3	213	23,411	23,624	—
Total LHFI	$ 12,574	$ 2,076	$ 11,393	$ 26,043	$ 7,634,901	$ 7,660,944	$ —

The following tables detail activity in the ALCL by portfolio segment. Accrued interest of $36.1 million and $33.0 million was not included in the book value for the purposes of calculating the allowance at September 30, 2024 and 2023, respectively. Allocation of a portion of the allowance to one category of loans does not preclude its availability to absorb losses in other categories.

	Three Months Ended September 30, 2024						
	Commercial Real Estate	Construction/ Land/ Land Development	Residential Real Estate	Commercial and Industrial	Mortgage Warehouse Lines of Credit	Consumer	Total
	(Dollars in thousands)						
Beginning balance	$ 17,244	$ 9,274	$ 11,780	$ 61,184	$ 676	$ 707	$ 100,865
Charge-offs	—	—	11	11,195	—	20	11,226
Recoveries	21	—	4	1,680	—	1	1,706
Provision[(1)]	(435)	(546)	302	5,070	(13)	266	4,644
Ending balance	$ 16,830	$ 8,728	$ 12,075	$ 56,739	$ 663	$ 954	$ 95,989
Average balance	$ 2,507,566	$ 1,019,302	$ 1,824,725	$ 2,071,984	$ 484,680	$ 22,739	$ 7,930,996
Net charge-offs to loan average balance (annualized)	— %	— %	— %	1.83 %	— %	0.33 %	0.48 %

(1) The $4.6 million provision for credit losses on the consolidated statements of income includes a $4.6 million provision for loan credit losses, a $36,000 net benefit provision for off-balance sheet commitments and a $5,000 net benefit provision for held to maturity securities credit losses for the three months ended September 30, 2024.

	Three Months Ended September 30, 2023						
	Commercial Real Estate	Construction/ Land/ Land Development	Residential Real Estate	Commercial and Industrial	Mortgage Warehouse Lines of Credit	Consumer	Total
	(Dollars in thousands)						
Beginning balance	$ 20,839	$ 8,729	$ 9,018	$ 54,173	$ 817	$ 777	$ 94,353
Charge-offs	—	—	—	3,187	—	15	3,202
Recoveries	28	3	3	477	—	5	516
Provision[(1)]	(1,758)	613	1,048	3,990	(359)	(24)	3,510
Ending balance	$ 19,109	$ 9,345	$ 10,069	$ 55,453	$ 458	$ 743	$ 95,177
Average balance	$ 2,428,969	$ 1,044,180	$ 1,663,291	$ 2,024,675	$ 376,275	$ 23,704	$ 7,561,094
Net charge-offs to loan average balance (annualized)	— %	— %	— %	0.53 %	— %	0.17 %	0.14 %

(1) The $3.5 million provision for credit losses on the consolidated statements of income includes a $3.5 million provision for loan credit losses, a $50,000 provision for off-balance sheet commitments and a $45,000 net benefit provision for held to maturity securities credit losses for the three months ended September 30, 2023.

	Nine Months Ended September 30, 2024						
	Commercial Real Estate	Construction/ Land/ Land Development	Residential Real Estate	Commercial and Industrial	Mortgage Warehouse Lines of Credit	Consumer	Total
	(Dollars in thousands)						
Beginning balance	$ 19,625	$ 9,990	$ 10,619	$ 55,330	$ 529	$ 775	$ 96,868
Charge-offs	480	—	11	21,044	—	80	21,615
Recoveries	318	—	12	6,228	—	9	6,567
Provision[(1)]	(2,633)	(1,262)	1,455	16,225	134	250	14,169
Ending balance	$ 16,830	$ 8,728	$ 12,075	$ 56,739	$ 663	$ 954	$ 95,989
Average balance	$ 2,481,274	$ 1,069,360	$ 1,784,035	$ 2,107,195	$ 407,553	$ 22,818	$ 7,872,235
Net charge-offs to loan average balance (annualized)	0.01 %	— %	— %	0.94 %	— %	0.42 %	0.26 %

(1) The $12.8 million provision for credit losses on the consolidated statement of income includes a $14.2 million provision for loan losses, a $1.3 million and $11,000 net benefit provision for off-balance sheet commitments and held to maturity securities credit losses, respectively, for the nine months ended September 30, 2024.

	Nine Months Ended September 30, 2023						
	Commercial Real Estate	Construction/ Land/ Land Development	Residential Real Estate	Commercial and Industrial	Mortgage Warehouse Lines of Credit	Consumer	Total
	(Dollars in thousands)						
Beginning balance	$ 19,772	$ 7,776	$ 8,230	$ 50,148	$ 379	$ 856	$ 87,161
Charge-offs	42	—	27	8,070	—	107	8,246
Recoveries	113	3	13	2,189	—	12	2,330
Provision[(1)]	(734)	1,566	1,853	11,186	79	(18)	13,932
Ending balance	$ 19,109	$ 9,345	$ 10,069	$ 55,453	$ 458	$ 743	$ 95,177
Average balance	$ 2,393,028	$ 997,296	$ 1,599,803	$ 2,051,272	$ 329,205	$ 24,836	$ 7,395,440
Net charge-offs to loan average balance (annualized)	— %	— %	— %	0.38 %	— %	0.51 %	0.11 %

(1) The $14.0 million provision for credit losses on the consolidated statements of income includes a $13.9 million provision for loan credit losses, a $95,000 provision for off-balance sheet commitments and a $9,000 net benefit provision for held to maturity securities credit losses for the nine months ended September 30, 2023.

The following table presents the amortized cost basis of collateral dependent loans, which are individually evaluated to determine expected credit losses, and the related ALCL allocated to these loans.

	September 30, 2024						
(Dollars in thousands)	Commercial Real Estate	Construction/ Land/ Land Development	Residential Real Estate	Commercial and Industrial	Mortgage Warehouse Lines of Credit	Consumer	Total
Real Estate	$ —	$ 20	$ 10,890	$ —	$ —	$ —	$ 10,910
Other	—	—	—	—	—	93	93
Total	$ —	$ 20	$ 10,890	$ —	$ —	$ 93	$ 11,003
ALCL Allocation	$ —	$ —	$ 32	$ —	$ —	$ —	$ 32

	December 31, 2023						
(Dollars in thousands)	Commercial Real Estate	Construction/ Land/ Land Development	Residential Real Estate	Commercial and Industrial	Mortgage Warehouse Lines of Credit	Consumer	Total
Real Estate	$ 605	$ —	$ 4,029	$ —	$ —	$ —	$ 4,634
Equipment	—	—	—	119	—	—	119
Other	—	—	—	258	—	—	258
Total	$ 605	$ —	$ 4,029	$ 377	$ —	$ —	$ 5,011
ALCL Allocation	$ —	$ —	$ —	$ —	$ —	$ —	$ —

Collateral-dependent loans consist primarily of residential real estate, commercial real estate and commercial and industrial loans. These loans are individually evaluated when foreclosure is probable or when the repayment of the loan is expected to be provided substantially through the operation or sale of the underlying collateral. In the case of commercial and industrial loans secured by equipment, the fair value of the collateral is estimated by third-party valuation experts. Loan balances are charged down to the underlying collateral value when they are deemed uncollectible. Note that the Company did not elect to use the collateral maintenance agreement practical expedient available under the current expected credit loss ("CECL") guidance.

Nonaccrual LHFI was as follows:

(Dollars in thousands)	Nonaccrual With No Allowance for Credit Loss		Total Nonaccrual	
Loans secured by real estate:	September 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
Commercial real estate	$ 2,449	$ 746	$ 2,776	$ 786
Construction/land/land development	19,176	96	26,291	305
Residential real estate	12,410	5,695	14,313	13,037
Total real estate	34,035	6,537	43,380	14,128
Commercial and industrial	2,915	4,706	20,486	15,897
Consumer	93	—	407	90
Total nonaccrual loans	$ 37,043	$ 11,243	$ 64,273	$ 30,115

All interest formerly accrued but not received for loans placed on nonaccrual status is reversed from interest income. Subsequent receipts on nonaccrual loans are recorded as a reduction of principal, and interest income is recorded only after principal recovery is reasonably assured. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

No interest income was recorded on nonaccrual loans while they were considered nonaccrual during the nine months ended September 30, 2024 and 2023.

The Company elects the fair value option for recording residential mortgage loans held for sale in accordance with U.S. GAAP. The Company had zero nonaccrual mortgage loans held for sale that were recorded using the fair value option election at both September 30, 2024 and December 31, 2023.

The tables below summarize modifications made to borrowers experiencing financial difficulty by loan and modification type during the three months ended September 30, 2024 and 2023.

	Amortized Cost Basis at September 30, 2024	
	Term Extension	
(Dollars in thousands)	Amortized Cost	% of Loans
Loans secured by real estate:		
Commercial real estate	$ 257	0.01 %
Construction/land/land development	346	0.03
Residential real estate	1,769	0.10
Total real estate	2,372	0.04
Commercial and industrial[(1)]	10,689	0.52
Total	$ 13,061	0.16

[(1)] Does not include the loans impacted by the questioned activity as a result of not meeting the modification criteria as described in the Accounting Standards Codification 310-10-50-36, "Modifications".

	Amortized Cost Basis at September 30, 2023					
	Term Extension		Combination: Term Extension and Interest Rate Reduction		Other-Than-Insignificant Payment Delay	
(Dollars in thousands)	Amortized Cost	% of Loans	Amortized Cost	% of Loans	Amortized Cost	% of Loans
Loans secured by real estate:						
Commercial real estate	$ 7,507	0.31 %	$ —	— %	$ 427	0.02 %
Construction/land/land development	3,807	0.35	—	—	—	—
Residential real estate	745	0.04	—	—	—	—
Total real estate	12,059	0.23	—	—	427	0.01
Commercial and industrial	13,935	0.68	923	0.04	53	—
Total	$ 25,994	0.34	$ 923	0.01	$ 480	0.01

The tables below summarize modifications made to borrowers experiencing financial difficulty by loan and modification type during the nine months ended September 30, 2024 and 2023.

	Amortized Cost Basis at September 30, 2024					
	Term Extension		Combination: Term Extension and Interest Rate Reduction		Other-Than-Insignificant Payment Delay	
(Dollars in thousands)	Amortized Cost	% of Loans	Amortized Cost	% of Loans	Amortized Cost	% of Loans
Loans secured by real estate:						
Commercial real estate	$ 257	0.01 %	$ —	— %	$ —	— %
Construction/land/land development	346	0.03	—	—	—	—
Residential real estate	1,998	0.11	132	0.01	—	—
Total real estate	2,601	0.05	132	—	—	—
Commercial and industrial[(1)]	15,331	0.74	—	—	35	—
Consumer	—	—	4	0.02	—	—
Total	$ 17,932	0.23	$ 136	—	$ 35	—

[(1)] Does not include the loans impacted by the questioned activity as a result of not meeting the modification criteria as described in the Accounting Standards Codification 310-10-50-36, "Modifications".

	Amortized Cost Basis at September 30, 2023					
	Term Extension		Combination: Term Extension and Interest Rate Reduction		Other-Than-Insignificant Payment Delay	
(Dollars in thousands)	Amortized Cost	% of Loans	Amortized Cost	% of Loans	Amortized Cost	% of Loans
Loans secured by real estate:						
Commercial real estate	$ 7,853	0.32 %	$ —	— %	$ 427	0.02 %
Construction/land/land development	3,808	0.35	—	—	—	—
Residential real estate	2,477	0.15	—	—	—	—
Total real estate	14,138	0.27	—	—	427	0.01
Commercial and industrial	15,562	0.76	1,091	0.05	53	—
Total	$ 29,700	0.39	$ 1,091	0.01	$ 480	0.01

The following tables describe the financial effects of the modifications made to borrowers experiencing financial difficulty during the three and nine months ended September 30, 2024 and 2023.

	Three Months Ended September 30, 2024
	Term Extension
Commercial real estate	Added a weighted average 29.0 months to the life of the modified loans
Construction/land/land development	Added a weighted average 4.1 months to the life of the modified loans
Residential real estate	Added a weighted average 8.7 months to the life of the modified loans
Commercial and industrial[1]	Added a weighted average 4.4 months to the life of the modified loans

____

[1] Does not include the loans impacted by the questioned activity as a result of not meeting the modification criteria as described in the Accounting Standards Codification 310-10-50-36, “Modifications”.

	Three Months Ended September 30, 2023		
	Interest Rate Reduction	Term Extension	Other-Than-Insignificant Payment Delay
Commercial real estate	N/A	Added a weighted average 10.1 months to the life of the modified loans	Delayed payment of weighted average 6 months
Construction/land/land development	N/A	Added a weighted average 8.6 months to the life of the modified loans	N/A
Residential real estate	N/A	Added a weighted average 18.4 months to the life of the modified loans	N/A
Commercial and industrial	Reduced weighted average contractual interest rate from 10.1% to 9.5%	Added a weighted average 6.7 months to the life of the modified loans	Delayed payment of weighted average 6 months

	Nine Months Ended September 30, 2024		
	Interest Rate Reduction	Term Extension	Other-Than-Insignificant Payment Delay
Commercial real estate	N/A	Added a weighted average 32.0 months to the life of the modified loans	N/A
Construction/land/land development	N/A	Added a weighted average 6.6 months to the life of the modified loans	N/A
Residential real estate	Reduced weighted average contractual interest rate from 9.0% to 8.0%	Added a weighted average 10.4 months to the life of the modified loans	N/A
Commercial and industrial[(1)]	N/A	Added a weighted average 5.9 months to the life of the modified loans	Delayed payment of weighted average 2.0 months
Consumer	Reduced weighted average contractual interest rate from 9.5% to 6.0%	Added a weighted average 5.0 months to the life of the modified loans	N/A

(1) Does not include the loans impacted by the questioned activity as a result of not meeting the modification criteria as described in the Accounting Standards Codification 310-10-50-36, "Modifications".

	Nine Months Ended September 30, 2023		
	Interest Rate Reduction	Term Extension	Other-Than-Insignificant Payment Delay
Commercial real estate	N/A	Added a weighted average 12.1 months to the life of the modified loans	Delayed payment of weighted average 6 months
Construction/land/land development	N/A	Added a weighted average 13.1 months to the life of the modified loans	N/A
Residential real estate	N/A	Added a weighted average 9.3 months to the life of the modified loans	N/A
Commercial and industrial	Reduced weighted average contractual interest rate from 9.9% to 9.0%	Added a weighted average 9.0 months to the life of the modified loans	Delayed payment of weighted average 6 months

The following table depicts the performance of loans that have been modified during the last twelve months ended September 30, 2024.

	Payment Status (Amortized Cost Basis) September 30, 2024		
(Dollars in thousands)	Current	30-89 Days Past Due	90 Days or More Past Due
Loans secured by real estate:			
Commercial real estate	$ 272	$ 10	$ —
Construction/land/land development	452	—	—
Residential real estate	936	1,485	115
Total real estate	1,660	1,495	115
Commercial and industrial[(1)]	12,865	618	2,007
Consumer	4	—	—
Total LHFI	$ 14,529	$ 2,113	$ 2,122

(1) Does not include the loans impacted by the questioned activity as a result of not meeting the modification criteria as described in the Accounting Standards Codification 310-10-50-36, "Modifications".

The following table depicts the performance of loans that have been modified during the nine months ended September 30, 2023.

	Payment Status (Amortized Cost Basis) September 30, 2023		
(Dollars in thousands)	Current	30-89 Days Past Due	90 Days or More Past Due
Loans secured by real estate:			
Commercial real estate	$ 8,280	$ —	$ —
Construction/land/land development	3,808	—	—
Residential real estate	2,195	282	—
Total real estate	14,283	282	—
Commercial and industrial	16,705		—
Total LHFI	$ 30,988	$ 282	$ —

At September 30, 2024, and December 31, 2023, the Company had $745,000 and $1.6 million funding commitments for loans in which the terms were modified as a result of the borrowers experiencing financial difficulty, respectively.

The table below provides the details of loans to borrowers experiencing financial difficulty that were modified within the last twelve months and defaulted during the three and nine months ended September 30, 2024. There were no loans to borrowers experiencing financial difficulty that defaulted during the nine months ended September 30, 2023, that were modified within the nine months ended September 30, 2023.

	Term Extension	
(Dollars in thousands)	Amortized Cost at September 30, 2024	Default Amount During the Three and Nine Months Ended September 30, 2024
Residential real estate	$ 115	$ 115
Commercial and industrial[(1)]	2,007	9,453
Total	$ 2,122	$ 9,568

(1) Does not include the loans impacted by the questioned activity as a result of not meeting the modification criteria as described in the Accounting Standards Codification 310-10-50-36, "Modifications".

A payment default is defined as a loan that was 90 or more days past due. The Company monitors the performance of modified loans on an ongoing basis. In the event of subsequent default, the ALCL is assessed on the basis of an individual evaluation of each loan. The modifications made during the periods presented did not significantly impact the Company's determination of the allowance for credit losses.

Note 5 — Fair Value of Financial Instruments

Fair value is the exchange price that is expected to be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Certain assets and liabilities are recorded in the Company's consolidated financial statements at fair value. Some are recorded on a recurring basis and some on a nonrecurring basis.

The Company utilizes fair value measurement to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. The determination of fair values of financial instruments often requires the use of estimates. In cases where quoted market values in an active market are not available, the Company utilizes valuation techniques that are consistent with the market approach, the income approach and/or the cost approach to estimate the fair values of its financial instruments. Such valuation techniques are consistently applied.

A hierarchy for fair value has been established, which categorizes the valuation techniques into three levels used to measure fair value. The three levels are as follows:

Level 1 - Fair value is based on unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 - Fair value is based on significant other observable inputs that are generally determined based on a single price for each financial instrument provided to the Company by an unrelated third-party pricing service and is based on one or more of the following:

- Quoted prices for similar, but not identical, assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets that are not active;
- Inputs other than quoted prices that are observable, such as interest rate and yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates; and
- Other inputs derived from or corroborated by observable market inputs.

Level 3 - Prices or valuation techniques that require inputs that are both significant and unobservable in the market. These instruments are valued using the best information available, some of which is internally developed, and reflects the Company's own assumptions about the risk premiums that market participants would generally require and the assumptions they would use. These estimates can be inherently uncertain.

There were no transfers between fair value reporting levels for any period presented.

Fair Values of Assets and Liabilities Recorded on a Recurring Basis

The following tables summarize financial assets and financial liabilities recorded at fair value on a recurring basis at September 30, 2024, and December 31, 2023, segregated by the level of valuation inputs within the fair value hierarchy utilized to measure fair value. There were no changes in the valuation techniques during 2024 or 2023.

	September 30, 2024			
(Dollars in thousands)	Level 1	Level 2	Level 3	Total
State and municipal securities	$ —	$ 246,707	$ 42,155	$ 288,862
Corporate bonds	—	79,268	1,000	80,268
U.S. treasury securities	30,729	—	—	30,729
U.S. government agency securities	—	14,658	—	14,658
Commercial mortgage-backed securities	—	100,172	—	100,172
Residential mortgage-backed securities	—	475,169	—	475,169
Commercial collateralized mortgage obligations	—	48,510	—	48,510
Residential collateralized mortgage obligations	—	122,597	—	122,597
Securities available for sale	30,729	1,087,081	43,155	1,160,965
Securities carried at fair value through income	—	—	6,533	6,533
Loans held for sale	—	7,631	—	7,631
Other assets - derivatives	—	13,135	—	13,135
Total recurring fair value measurements - assets	$ 30,729	$ 1,107,847	$ 49,688	$ 1,188,264
Other liabilities - derivatives	$ —	$ (11,993)	$ —	$ (11,993)
Total recurring fair value measurements - liabilities	$ —	$ (11,993)	$ —	$ (11,993)

	December 31, 2023			
(Dollars in thousands)	Level 1	Level 2	Level 3	Total
State and municipal securities	$ —	$ 232,679	$ 49,447	$ 282,126
Corporate bonds	—	82,635	1,000	83,635
U.S. treasury securities	55,480	—	—	55,480
U.S. government agency securities	—	24,160	—	24,160
Commercial mortgage-backed securities	—	93,396	—	93,396
Residential mortgage-backed securities	—	506,502	—	506,502
Commercial collateralized mortgage obligations	—	35,183	—	35,183
Residential collateralized mortgage obligations	—	130,144	—	130,144
Asset-backed securities	—	43,005	—	43,005
Securities available for sale	55,480	1,147,704	50,447	1,253,631
Securities carried at fair value through income	—	—	6,808	6,808
Loans held for sale	—	16,852	—	16,852
Mortgage servicing rights	—	—	15,637	15,637
Other assets - derivatives	—	20,487	—	20,487
Total recurring fair value measurements - assets	$ 55,480	$ 1,185,043	$ 72,892	$ 1,313,415
Other liabilities - derivatives	$ —	$ (18,300)	$ —	$ (18,300)
Total recurring fair value measurements - liabilities	$ —	$ (18,300)	$ —	$ (18,300)

The changes in Level 3 assets and liabilities measured at fair value on a recurring basis for the nine months ended September 30, 2024 and 2023, are summarized as follows:

(Dollars in thousands)	MSRs	Securities Available for Sale	Securities at Fair Value Through Income
Balance at January 1, 2024	$ 15,637	$ 50,447	$ 6,808
Gain (loss) recognized in earnings:			
Mortgage banking revenue	450	—	—
Other noninterest income	—	—	24
Loss recognized in AOCI	—	511	—
Purchases, issuances, sales and settlements:			
Sales	(16,087)	—	—
Settlements	—	(7,803)	(299)
Balance at September 30, 2024	$ —	$ 43,155	$ 6,533

(Dollars in thousands)	MSRs	Securities Available for Sale	Securities at Fair Value Through Income
Balance at January 1, 2023	$ 20,824	$ 55,769	$ 6,368
Gain (loss) recognized in earnings:			
Mortgage banking revenue[1]	(485)	—	—
Other noninterest income	—	—	689
Loss recognized in AOCI	—	(703)	—
Purchases, issuances, sales and settlements:			
Originations	656	—	—
Sales	(1,806)	—	—
Settlements	—	(2,627)	(285)
Balance at September 30, 2023	$ 19,189	$ 52,439	$ 6,772

(1) Total mortgage banking revenue includes changes in fair value due to market changes and run-off.

The Company obtains fair value measurements for securities available for sale and securities at fair value through income from an independent pricing service; therefore, quantitative unobservable inputs are unknown.

The following methodologies were used to measure the fair value of financial assets and liabilities valued on a recurring basis:

Securities Available for Sale

Securities classified as available for sale are reported at fair value utilizing Level 1, Level 2 or Level 3 inputs. For Level 1 securities, the Company obtains the fair value measurements for those identical assets from an independent pricing service. For Level 2 securities, the Company obtains fair value measurements from an independent pricing service. The fair value measurements consider observable data that may include dealer quotes, market spreads, cash flows, the U.S. Treasury yield curve, live trading levels, market consensus prepayment speeds, credit information and the security's terms and conditions, among other things. In order to ensure the fair values are consistent with ASC 820, *Fair Value Measurements and Disclosures*, the Company periodically checks the fair value by comparing them to other pricing sources, such as Bloomberg LP. The third-party pricing service is subject to an annual review of internal controls in accordance with the Statement on Standards for Attestation Engagements No. 16, which was made available to the Company. In certain cases where Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. For Level 3 securities, the Company determines the fair value of the instruments based on their callability, putability and prepay optionality. Putable instruments are valued at book value, non-putable instruments are priced mainly using a present value calculation based on the spread to the yield curve.

Mortgage Servicing Rights ("MSRs")

During December 2023 and January 2024, the Company solicited non-binding indications of interest with respect to the proposed sale of substantially all of the Company's MSR asset. The Company subsequently sold its MSR asset and recorded a $410,000 gain on the sale during the nine months ended September 30, 2024. There were no MSR assets recognized or recorded during the quarter ended September 30, 2024, and the carrying value of the MSR is zero at September 30, 2024. At December 31, 2023, the carrying amounts of the MSRs equal fair value, which are determined using a discounted cash flow valuation model. The significant assumptions used to value MSRs were as follows:

	December 31, 2023	
	Range	Weighted Average[1]
Prepayment speeds	7.49% - 8.50%	8.10 %
Discount rates	10.25% - 12.75%	10.31 %

(1) The weighted average was calculated with reference to the principal balance of the underlying mortgages.

There have been significant market-driven fluctuations in the assumptions listed above. Typically, loans with higher average coupon rates have a greater likelihood of prepayment during comparatively low interest rate environments, while loans with lower average coupon rates have a lower likelihood of prepayment. Estimating these assumptions within ranges that market participants would use in determining the fair value of MSRs requires significant management judgment.

Derivatives

Fair values for interest rate swap agreements and interest rate lock commitments are based upon the amounts that would be required to settle the contracts. Fair values for risk participations and loan sale commitments are based on the fair values of the underlying mortgage loans or securities and the probability of such commitments being exercised. Significant management judgment and estimation is required in determining these fair value measurements.

Fair Values of Assets Recorded on a Recurring Basis for which the Fair Value Option has been Elected

Certain assets are measured at fair value on a recurring basis due to the Company's election to adopt fair value accounting treatment for those assets. This election allows for a more effective offset of the changes in fair values of the assets and the derivative instruments used to economically hedge them without the burden of complying with the requirements for hedge accounting under ASC Topic 815, *Derivatives and Hedging.* For assets for which the fair value has been elected, the earned current contractual interest payment is recognized in interest income. At September 30, 2024, and December 31, 2023, there were no gains or losses recorded attributable to changes in instrument-specific credit risk. The following tables summarize the difference between the fair value and the unpaid principal balance for financial instruments for which the fair value option has been elected:

	September 30, 2024		
(Dollars in thousands)	Aggregate Fair Value	Principal Balance/Amortized Cost	Difference
Loans held for sale[(1)]	$ 7,631	$ 7,394	$ 237
Securities carried at fair value through income	6,533	6,515	18
Total	$ 14,164	$ 13,909	$ 255

(1) There were no loans held for sale that were designated as nonaccrual or 90 days or more past due at September 30, 2024.

	December 31, 2023		
(Dollars in thousands)	Aggregate Fair Value	Principal Balance/Amortized Cost	Difference
Loans held for sale[(1)]	$ 16,852	$ 16,475	$ 377
Securities carried at fair value through income	6,808	6,815	(7)
Total	$ 23,660	$ 23,290	$ 370

(1) There were no of loans held for sale that were designated as nonaccrual or 90 days or more past due at December 31, 2023.

Changes in the fair value of assets for which the Company elected the fair value option are classified in the consolidated statements of income line items reflected in the following table:

(Dollars in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
Changes in fair value included in noninterest income:	2024	2023	2024	2023
Mortgage banking revenue (loans held for sale)[(1)]	$ (273)	$ (22)	$ (139)	$ (214)
Other income:				
Securities carried at fair value through income	35	666	25	689
Total fair value option impact on noninterest income	$ (238)	$ 644	$ (114)	$ 475

(1) The fair value option impact on noninterest income is offset by the derivative gain/loss recognized in noninterest income. Please see *Note 6 — Mortgage Banking* for more detail.

The following methodologies were used to measure the fair value of financial assets valued on a recurring basis for which the fair value option was elected:

Securities at Fair Value through Income

Securities carried at fair value through income are valued using a discounted cash flow with a credit spread applied to each instrument based on the creditworthiness of each issuer. Credit spreads ranged from 83 to 227 basis points at both September 30, 2024, and December 31, 2023. The Company believes the fair value approximates an exit price.

Loans Held for Sale

Fair values for loans held for sale are established using anticipated sale prices for loans allocated to a sale commitment, and those unallocated to a commitment are valued based on the interest rate and term for similar loans allocated. The Company believes the fair value approximates an exit price.

Fair Value of Assets Recorded on a Nonrecurring Basis

Non-marketable equity securities held in other financial institutions

The majority of the Company's non-marketable equity securities held in other financial institutions are within Level 2 of the fair value hierarchy and qualify for the practical expedient allowed for equity securities without a readily determinable fair values, such that the Company has elected to carry these securities at cost adjusted for any observable transactions during the period, less any impairment. Non-marketable equity securities held in other financial institutions totaled $67.1 million and $55.2 million at September 30, 2024 and December 31, 2023, respectively, and are shown on the face of the consolidated balance sheets. To date, no impairment has been recorded on the Company's investments in equity securities that do not have readily determinable fair values. During the nine months ended September 30, 2024, the Company observed a price change in multiple orderly transactions for identical equity securities in one of the Company's equity securities and adjusted the Company's basis upwards by $5.2 million.

Individually Evaluated Loans with Credit Losses

Loans for which it is probable that the Company will not collect all principal and interest due according to contractual terms are measured to determine if any credit loss exists. Allowable methods for determining the amount of credit loss include estimating the fair value using the fair value of the collateral for collateral-dependent loans and a discounted cash flow methodology for other evaluated loans that are not collateral dependent. If the loan is identified as collateral-dependent, the fair value method of measuring the amount of credit loss is utilized. Evaluating the fair value of the collateral for collateral-dependent loans requires obtaining a current independent appraisal of the collateral and applying a discount factor to the value. If the loan is not collateral-dependent, the discounted cash flow method is utilized, which involves assumptions and judgments as to credit risk, prepayment risk, liquidity risk, default rates, loss severity, payment speeds, collateral values and discount rate. Loans that have experienced a credit loss with specific allocated losses are within Level 3 of the fair value hierarchy when the credit loss is determined using the fair value method. The fair value of collateral-dependent loans that have specific allocated reserves was approximately $3.9 million and $3.8 million at September 30, 2024, and December 31, 2023, respectively.

Non-Financial Assets

Foreclosed assets held for sale are the only non-financial assets valued on a nonrecurring basis that are initially recorded by the Company at fair value, less estimated costs to sell. At foreclosure, if the fair value, less estimated costs to sell, of the real estate acquired is less than the Company's recorded investment in the related loan, a write-down is recognized through a charge to the ALCL. Additionally, valuations are periodically performed by management, and any subsequent reduction in value is recognized by a charge to income. The carrying value and fair value of foreclosed assets held for sale was estimated using Level 3 inputs based on observable market data and was $6.0 million and $3.9 million at September 30, 2024, and December 31, 2023, respectively. At September 30, 2024, and December 31, 2023, the Company had $669,000 and zero, respectively, principal amounts of residential mortgage loans in the process of foreclosure.

Fair Values of Financial Instruments Not Recorded at Fair Value

The carrying value and estimated fair values of financial instruments not recorded at fair value are as follows:

(Dollars in thousands)	September 30, 2024		December 31, 2023	
Financial assets: *Level 1 inputs:*	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Cash and cash equivalents	$ 321,191	$ 321,191	$ 280,441	$ 280,441
Level 2 inputs:				
Non-marketable equity securities held in other financial institutions	67,068	67,068	55,190	55,190
Accrued interest and loan fees receivable	42,925	42,925	41,688	41,688
Level 3 inputs:				
Securities held to maturity	11,096	10,701	11,615	10,848
LHFI, net	7,860,801	7,547,324	7,564,076	7,177,720
Financial liabilities:				
Level 2 inputs:				
Deposits	8,486,568	8,481,684	8,251,125	8,240,520
FHLB advances, repurchase agreements and other borrowings	30,446	30,359	83,598	83,187
Subordinated indebtedness	159,861	159,277	194,279	186,251
Accrued interest payable	15,510	15,510	12,272	12,272

Note 6 — Mortgage Banking

The following table presents the Company’s revenue from mortgage banking operations:

(Dollars in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
Mortgage banking revenue	2024	2023	2024	2023
Origination	$ 151	$ 124	$ 421	$ 384
Gain on sale of loans held for sale	1,535	757	3,836	2,380
Originations of MSRs	—	225	—	656
Servicing	3	915	738	2,840
Total gross mortgage revenue	1,689	2,021	4,995	6,260
MSR valuation adjustments, net	—	(122)	450	(485)
Gain on sale of MSR	—	—	410	—
Mortgage HFS and pipeline fair value adjustment	(536)	(110)	53	(27)
MSR hedge impact	—	(897)	(479)	(1,673)
Mortgage banking revenue	$ 1,153	$ 892	$ 5,429	$ 4,075

During 2023, management used forward-settling mortgage-backed securities and U.S. Treasury futures to mitigate the impact of changes in fair value of MSRs. See *Note 8 — Derivative Financial Instruments* for further information.

Mortgage Servicing Rights

Activity in MSRs was as follows:

(Dollars in thousands)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Balance at beginning of period	$ —	$ 19,086	$ 15,637	$ 20,824
Addition of servicing rights	—	225	—	656
Settlement of sale of MSR	—	—	(16,087)	(1,806)
Valuation adjustment, net of amortization	—	(122)	450	(485)
Balance at end of period	$ —	$ 19,189	$ —	$ 19,189

During December 2023 and January 2024, the Company solicited non-binding indications of interest with respect to the proposed sale of substantially all of the Company's MSR asset. The Company subsequently sold its MSR asset and recorded a $410,000 gain on the sale during the nine months ended September 30, 2024. There were no MSR assets recognized or recorded during the three or nine months ended September 30, 2024, and the Company is no longer retaining servicing on sold loans.

During the second half of 2022, the Company entered into an agreement to sell its GNMA MSR portfolio, which met all final sale conditions in early 2023. The Company sold $1.8 million in GNMA MSR, with no significant gain or loss realized, and derecognized the related GNMA repurchase asset and offsetting liability during the quarter ended March 31, 2023.

Prior to the sale of the Company's MSR, the Company received annual servicing fee income approximating 0.25% of the outstanding balance of the underlying loans. In connection with the Company's activities as a servicer of mortgage loans, the investors and the securitization trusts have no recourse to the Company's assets for failure of debtors to pay when due.

The Company is potentially subject to losses on loans previously sold due to loan foreclosures. The Company has obligations to either repurchase the outstanding principal balance of a loan or make the purchaser whole for the economic benefits of a loan if it is determined that the loan sold violated representations or warranties made by the Company and/or the borrower at the time of the sale, which the Company refers to as mortgage loan putback expenses. Such representations and warranties typically include those made regarding loans that had missing or insufficient file documentation and/or loans obtained through fraud by borrowers or other third parties. Putback claims may be made until the loan is paid in full. When a putback claim is received, the Company evaluates the claim and takes appropriate actions based on the nature of the claim. The Company is required by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation to provide a response to putback claims within 60 days of the date of receipt.

At September 30, 2024, and December 31, 2023, the reserve for mortgage loan putback expenses totaled $103,000 and $127,000, respectively. There is inherent uncertainty in reasonably estimating the requirement for reserves against future mortgage loan putback expenses. Future putback expenses depend on many subjective factors, including the review procedures of the purchasers and the potential refinance activity on loans sold with servicing released and the subsequent consequences under the representations and warranties.

Note 7 — Borrowings

Borrowed funds are summarized as follows:

(Dollars in thousands)	September 30, 2024	December 31, 2023
Short-term FHLB advances	$ 20,000	$ 70,000
Long-term FHLB advances	6,268	6,474
Overnight repurchase agreements with depositors	4,178	7,124
Total FHLB advances and other borrowings	$ 30,446	$ 83,598
Subordinated indebtedness, net	$ 159,861	$ 194,279

At December 31, 2023, the Company had $34.7 million in subordinated promissory notes that were assumed in the merger with BTH (“BTH Notes”) with origination dates ranging from June 2015 to June 2021. After the five-year anniversary of issuance, the Company had the right to redeem the BTH Notes in part or in full at the Company’s discretion and, if applicable, subject to receipt of any required regulatory approvals. Primarily due to the declining Tier 2 capital contribution of the BTH Notes, the Company elected to redeem all but $1.1 million of the BTH Notes during the nine months ended September 30, 2024.

Note 8 — Derivative Financial Instruments

Risk Management Objective of Using Derivatives

The Company enters into derivative financial instruments to manage risks related to differences in the amount, timing, and duration of the Company’s known or expected cash receipts and its known or expected cash payments, as well as to manage changes in fair values of some assets which are marked at fair value through the consolidated statement of income on a recurring basis.

Cash Flow Hedges of Interest Rate Risk

The Company is a party to interest rate swap agreements under which the Company receives interest at a variable rate and pays at a fixed rate. The derivative instruments represented by these swap agreements are designated as cash flow hedges of the Company’s forecasted variable cash flows under variable-rate term borrowing agreements. During the terms of the swap agreements, the effective portion of changes in the fair value of the derivative instruments are recorded in accumulated other comprehensive (loss) income and subsequently reclassified into earnings in the periods that the hedged forecasted variable-rate interest payments affected earnings. There was no ineffective portion of the change in fair value of the derivatives recognized directly in earnings. The entire swap fair value will be reclassified into earnings before the expiration dates of the swap agreements.

Derivatives Not Designated as Hedges

Customer interest rate derivative program

The Company offers certain derivatives products, primarily interest rate swaps, directly to qualified commercial banking customers to facilitate their risk management strategies. In most instances, the Company acts only as an intermediary, simultaneously entering into offsetting agreements with unrelated financial institutions, thereby mitigating its net risk exposure resulting from such transactions without significantly impacting its results of operations. Because the interest rate derivatives associated with this program do not meet hedge accounting requirements, changes in the fair value of both the customer derivatives and any offsetting derivatives are recognized directly in earnings as a component of noninterest income.

From time to time, the Company shares in credit risk on interest rate swap arrangements, by entering into risk participation agreements with syndication partners. These are accounted for at fair value and disclosed as risk participation derivatives.

Mortgage banking derivatives

As part of its mortgage banking and related risk management activities, the Company enters into interest rate lock commitment (“IRLC”) agreements on prospective residential mortgage loans. These IRLCs are derivative financial instruments and the fair value of these IRLCs are included in other assets. Prior to January 1, 2024, the Company also economically hedged the value of MSRs by entering into a series of commitments to purchase mortgage-backed securities in the future and U.S. Treasury Notes.

Fair Values of Derivative Instruments on the Consolidated Balance Sheets

The following tables disclose the fair value of derivative instruments in the Company's consolidated balance sheets at September 30, 2024 and December 31, 2023, as well as the effect of these derivative instruments on the Company's consolidated statements of income for the nine months ended September 30, 2024 and 2023. Derivative instruments and their related gains and losses are reported in other operating activities, net in the statements of cash flows.

(Dollars in thousands)	Notional Amounts[1]		Fair Values	
Derivatives designated as cash flow hedging instruments:	September 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
Interest rate swaps included in other assets	$ 10,500	$ 10,500	$ 534	$ 786
Derivatives not designated as hedging instruments:				
Interest rate swaps included in other assets	$ 364,855	$ 363,498	$ 12,188	$ 18,567
Interest rate swaps included in other liabilities	358,340	356,683	(11,992)	(18,298)
Risk participation agreements included in other liabilities	32,578	20,000	(1)	(2)
Forward commitments to purchase forward-settling mortgage-backed securities included in other assets	—	9,000	—	91
Forward commitments to purchase treasury notes in other assets	—	22,500	—	822
Interest rate-lock commitments on residential mortgage loans included in other assets	14,532	8,471	413	221
	$ 770,305	$ 780,152	$ 608	$ 1,401

[1] Notional or contractual amounts, which represent the extent of involvement in the derivatives market, are used to determine the contractual cash flows required in accordance with the terms of the agreement. These amounts are typically not exchanged, significantly exceed amounts subject to credit or market risk and are not reflected in the consolidated balance sheets.

The weighted-average rates paid and received for interest rate swaps were as follows:

	Weighted-Average Interest Rate			
	September 30, 2024		December 31, 2023	
Interest rate swaps:	Paid	Received	Paid	Received
Cash flow hedges	4.24 %	8.23 %	4.24 %	8.35 %
Non-hedging interest rate swaps - financial institution counterparties	5.11	7.79	4.88	7.82
Non-hedging interest rate swaps - customer counterparties	7.79	5.11	7.82	4.88

Gains and losses recognized on derivative instruments not designated as hedging instruments are as follows:

(Dollars in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
Derivatives not designated as hedging instruments:	2024	2023	2024	2023
Amount of (loss) gain recognized in mortgage banking revenue [1]	$ (261)	$ (1,102)	$ 123	$ (1,613)
Amount of (loss) gain recognized in other non-interest income	(136)	82	(72)	167

[1] Gains and losses on these instruments are largely offset by market fluctuations in mortgage servicing rights. The Company sold substantially all of its MSR recognizing a gain on the sale of $410,000 for the nine months ended September 30, 2024. See *Note 6 — Mortgage Banking* for more information on components of mortgage banking revenue.

Some interest rate swaps included in other assets were subject to a master netting arrangement with the counterparty in all periods presented and could be offset against some amounts included in interest rate swaps included in other liabilities. The Company has chosen not to net these exposures in the consolidated balance sheets, and any impact of netting these amounts would not be significant.

At September 30, 2024 and December 31, 2023, the Company had cash collateral on deposit with swap counterparties totaling $570,000 and $865,000, respectively. These amounts are included in interest-bearing deposits in banks in the consolidated balance sheets and are considered restricted cash until such time as the underlying swaps are settled.

Note 9 — Stock and Incentive Compensation Plans

The Company has granted, and currently has outstanding, stock and incentive compensation awards subject to the provisions of the Company's 2012 Stock Incentive Plan (the "2012 Plan"). Additionally, the Company's stockholders approved the Origin Bancorp, Inc. Omnibus Incentive Plan ("Omnibus Plan") at the April 24, 2024, Annual Meeting.

The 2012 Plan and the Omnibus Plan (collectively, the "Incentive Plans") are designed to provide flexibility to the Company regarding its ability to motivate, attract and retain the services of key officers, employees and directors. The Incentive Plans allow the Company to make grants of incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock awards ("RSA"), restricted stock units ("RSU"), dividend equivalent rights, performance stock units ("PSU") or any combination thereof. A maximum of 1,375,000 shares were originally reserved for issuance under the Incentive Plans. The Omnibus Plan, approved in April 2024, allows for the issuance of 675,000 shares, and no future awards may be granted under the 2012 Plan after adoption of the Omnibus Plan. At September 30, 2024, the number of shares of the Company's common stock no longer able to be granted under the 2012 Plan due to the adoption of the Omnibus Plan was 2,233, and the maximum number of shares of the Company's common stock available for grant under the Omnibus Plan was 502,283.

Additionally, the Company's stockholders previously approved an employee stock purchase plan ("ESPP") which qualified as an ESPP under IRS guidelines. The ESPP provides for the purchase of up to an aggregate 1,000,000 shares of the Company's common stock by employees. Under the ESPP, employees of the Company, who elect to participate, have the right to purchase a limited number of shares of the Company's common stock at a 15% discount from the lower of the market value of the common stock at the beginning or the end of each one year offering period, beginning on June 1st. The ESPP benefit is treated as compensation to the employee, and the compensation expense will be recognized over the service period based on the grant date fair value of the rights determined at the beginning of the purchase period, adjusted for forfeitures and certain modifications. Forfeitures are recognized as they occur. At September 30, 2024, there was $346,189 of total unrecognized compensation cost related to estimated ESPP shares for the June 1, 2024 - May 31, 2025 ESPP offering period. These costs are expected to be recognized over a period of 0.7 years.

The table below includes the weighted-average assumptions used to calculate the grant date fair value of the ESPP rights for the periods indicated using the Black-Scholes option pricing model:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Expected term (in years)	1.00	1.00	1.00	1.00
Dividend yield	$ 1.98	$ 2.08	$ 2.03	$ 1.81
Risk-free interest rate	4.94 %	4.94 %	4.94	3.52 %
Expected volatility	30.40	31.12	30.78	31.81

The ESPP shares purchased are as follows for the dates indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
ESPP shares purchased	—	—	56,658	46,213
Shares available for issuance under the ESPP	871,040	927,698	871,040	927,698

Table of Contents

The Compensation Committee ("Committee") has approved, and the Company has granted PSUs to select officers and employees under the 2012 Plan and Omnibus Plan. Each PSU represents a right for the participant to receive shares of Company common stock or cash equal to the fair market value of such stock, as determined by the Committee. The number of PSUs to which the participant may be entitled will vary from 0% to 150% of the target number of PSUs, based on the Company's achievement of specified performance criteria during the performance period compared to performance benchmarks adopted by the Committee and, further, the participant's continuous service with the Company through the third anniversary of the date of the grant. Each performance period commences on January 1 and ends three years later on December 31 ("Performance Period").

Share-based compensation cost charged to income for the three and nine months ended September 30, 2024 and 2023, is presented below. There was no stock option expense for any of the periods shown.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Dollars in thousands)	2024	2023	2024	2023
RSA & RSU	$ 1,260	$ 1,180	$ 3,475	$ 3,236
PSU	782	41	2,109	336
ESPP	144	114	369	314
Total stock compensation expense	$ 2,186	$ 1,335	$ 5,953	$ 3,886
Related tax benefits recognized in net income	$ 459	$ 280	$ 1,250	$ 816

Restricted Stock and Performance Stock Grants

The Company's RSAs and RSUs are time-vested awards and are granted to the Company's Board of Directors, executives and senior management team. The service period in which time-vested awards are earned ranges from one to seven years. Time-vested awards are valued utilizing the fair value of the Company's stock at the grant date. These awards are recognized on the straight-line method over the requisite service period, with forfeitures recognized as they occur.

The Company's PSU awards, excluding certain PSUs granted to the Company's CEO in 2022, are three-year cliff-vested awards, with each unit divided into two categories ("ROAA Unit Group" and "ROAE Unit Group"), composed of an equivalent number of initial PSUs granted. The PSU share amounts do not reflect potential increases or decreases resulting from the interim performance results until the final performance results are determined at the end of the three-year period. The ROAA Unit Group is based upon the Company's Performance Period Return on Average Assets performance, as defined in the award agreement, and the ROAE Unit Group is based upon the Company's Performance Period Return on Average Equity performance, as defined in the award agreement. The PSUs are initially valued utilizing the fair value of the Company's stock at the grant date, assuming 100% of the target number of units are achieved. Subsequent valuation of the PSUs is determined using the ratio of the actual Company's Performance Period ROAA or ROAE to the Company's targeted Performance Period ROAA or ROAE. The determination of whether and to what extent the performance criteria has been satisfied during the applicable Performance Period shall be made by the Compensation Committee, in its sole and absolute discretion, including disregarding certain nonrecurring, unusual or infrequent items in the ROAA or ROAE calculation as described further in the PSU award agreement. Forfeitures are recognized as they occur.

The following table summarizes the Company's award activity:

	Nine Months Ended September 30,			
	2024		2023	
	Shares	Weighted Average Grant-Date Fair Value	Shares	Weighted Average Grant-Date Fair Value
Nonvested RSAs, January 1,	17,629	$ 29.33	27,391	$ 35.27
Granted RSAs	19,682	33.03	16,788	28.61
Vested RSAs	(17,629)	29.33	(17,237)	34.33
Nonvested RSAs, September 30,	19,682	33.03	26,942	31.82
Nonvested RSUs, January 1,	318,168	$ 37.69	270,390	$ 39.63
Granted RSUs	117,597	31.98	113,674	35.70
Vested RSUs	(80,948)	38.89	(53,263)	41.94
Forfeited RSUs	(785)	42.55	(10,014)	43.44
Nonvested RSUs, September 30,	354,032	35.51	320,787	37.73
Nonvested PSUs, January 1,	197,842	$ 28.33	157,367	$ 29.06
Granted PSUs	67,355	33.03	43,591	30.69
Forfeited PSUs	—	—	(3,116)	30.69
Nonvested PSUs, September 30,	265,197	32.07	197,842	27.96

At September 30, 2024, there was $394,000, $10.4 million and $4.5 million of total unrecognized compensation cost related to nonvested RSA shares, RSU shares and PSU shares under the Incentive Plans, respectively. Those costs are expected to be recognized over a weighted-average period of 0.6, 3.2 and 1.5 years for RSA, RSU and PSU shares, respectively.

Stock Option Grants

The Company has previously issued common stock options to select officers and employees primarily through individual agreements. The exercise price of each option varies by agreement and is based on the fair value of the stock at the date of the grant. No outstanding stock option has a term that exceeds twenty years, and all of the outstanding options are fully vested. The Company recognized compensation cost for stock option grants over the required service period based upon the grant date fair value, which is established using a Black-Scholes valuation model. The Black-Scholes valuation model uses assumptions of risk-free interest rate, expected term of stock options, expected stock price volatility and expected dividends. Forfeitures are recognized as they occur.

In conjunction with the BTH merger, the Company assumed the BTH 2012 Equity Incentive Plan and converted all outstanding options to purchase BTH common stock into options to purchase an aggregate of 611,676 shares of the Company's common stock. Under the terms of applicable change in control provisions within the BTH 2012 Equity Incentive Plan and BTH Notice Of Stock Option Award, all BTH stock options fully vested immediately prior to the closing of the merger that occurred on August 1, 2022. BTH converted options have no expiration dates past August 16, 2031, and no further grants will be made under the BTH 2012 Equity Incentive Plan.

The table below summarizes the status of the Company's stock options and changes during the nine months ended September 30, 2024 and 2023.

(Dollars in thousands, except per share amounts)	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Nine Months Ended September 30, 2024				
Outstanding at January 1, 2024	353,473	$ 31.49	4.46	$ 1,670
Exercised	(46,009)	27.80	—	282
Expired	(45,680)	35.52	—	—
Outstanding and exercisable at September 30, 2024	261,784	31.43	3.72	758
Nine Months Ended September 30, 2023				
Outstanding at January 1, 2023	504,437	$ 29.46	5.13	$ 3,736
Exercised	(55,897)	17.35	—	918
Expired	(11,081)	33.63	—	—
Outstanding and exercisable at September 30, 2023	437,459	30.90	3.88	917

Note 10 — Accumulated Other Comprehensive (Loss) Income

Accumulated other comprehensive (loss) income ("AOCI") includes the after-tax change in unrealized gains and losses on AFS securities and cash flow hedging activities.

(Dollars in thousands)	Unrealized (Loss) Gain on AFS Securities	Unrealized Gain (Loss) on Cash Flow Hedges	Accumulated Other Comprehensive (Loss) Income
Balance at January 1, 2024	$ (121,646)	$ 623	$ (121,023)
Net change	26,977	(199)	26,778
Balance at September 30, 2024	$ (94,669)	$ 424	$ (94,245)
Balance at January 1, 2023	$ (160,700)	$ 825	$ (159,875)
Net change	(12,904)	50	(12,854)
Balance at September 30, 2023	$ (173,604)	$ 875	$ (172,729)

Note 11 — Capital and Regulatory Matters

The Company (on a consolidated basis) and the Bank are subject to various regulatory capital requirements administered by federal and state banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company's consolidated financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company and the Bank must meet specific capital guidelines that involve quantitative measures of assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting practices. The capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

The Company is subject to the Basel III regulatory capital framework ("Basel III Capital Rules"), which includes a 2.5% capital conservation buffer. The capital conservation buffer is designed to absorb losses during periods of economic stress and requires increased capital levels for the purpose of capital distributions and other payments. Failure to meet the full amount of the buffer will result in restrictions on the Company's ability to make capital distributions, which include dividend payments, stock repurchases and to pay discretionary bonuses to executive officers.

Quantitative measures established by regulation to ensure capital adequacy require the Company and the Bank to maintain minimum amounts and ratios (set forth in the table below) of total, common equity Tier 1 and Tier 1 capital to risk-weighted assets (as defined), and of Tier 1 capital (as defined) to average total consolidated assets (as defined). Management believes, at September 30, 2024, and December 31, 2023, that the Company and the Bank met all capital adequacy requirements to which they are subject, including the capital buffer requirement.

At September 30, 2024, and December 31, 2023, the Bank's capital ratios exceeded those levels necessary to be categorized as "well capitalized" under the regulatory framework for prompt corrective action. To be categorized as "well capitalized," the Bank must maintain minimum total risk-based, common equity Tier 1 risk-based, Tier 1 risk-based and Tier 1 leverage ratios as set forth in the table below. A final rule adopted by the federal banking agencies in February 2019 provides banking organizations with the option to phase in, over a three-year period, the adverse day-one regulatory capital effects of the adoption of CECL. In addition, on March 27, 2020, the federal banking agencies issued an interim final rule that gives banking organizations that were required to implement CECL before the end of 2020 the option to delay for two years CECL's adverse effects on regulatory capital. The Bank elected to adopt CECL in the first quarter of 2020 and exercised the option to delay the estimated impact of the adoption of CECL on the Company's regulatory capital for two years (from January 2020 through December 31, 2021). The two-year delay is followed by a three-year transition period of CECL's initial impact on the Company's regulatory capital (from January 1, 2022, through December 31, 2024). The amount representing the CECL impact to the Company's regulatory capital that will be ratably transitioning back into regulatory capital over the transition period is $637,000 and $2.5 million at September 30, 2024, and December 31, 2023, respectively.

The actual capital amounts and ratios of the Company and the Bank at September 30, 2024, and December 31, 2023, are presented in the following table:

(Dollars in thousands)	Actual		Minimum Capital Required - Basel III		To be Well Capitalized Under Prompt Corrective Action Provisions	
September 30, 2024	Amount	Ratio	Amount	Ratio	Amount	Ratio
Common Equity Tier 1 Capital to Risk-Weighted Assets						
Origin Bancorp, Inc.	$ 1,073,318	12.46 %	$ 603,075	7.00 %	N/A	N/A
Origin Bank	1,064,953	12.43	599,867	7.00	$ 557,020	6.50 %
Tier 1 Capital to Risk-Weighted Assets						
Origin Bancorp, Inc.	1,089,200	12.64	732,308	8.50	N/A	N/A
Origin Bank	1,064,953	12.43	728,410	8.50	685,563	8.00
Total Capital to Risk-Weighted Assets						
Origin Bancorp, Inc.	1,331,311	15.45	904,611	10.50	N/A	N/A
Origin Bank	1,233,004	14.39	899,803	10.50	856,955	10.00
Leverage Ratio						
Origin Bancorp, Inc.	1,089,200	10.93	398,551	4.00	N/A	N/A
Origin Bank	1,064,953	10.75	396,243	4.00	495,304	5.00
December 31, 2023						
Common Equity Tier 1 Capital to Risk-Weighted Assets						
Origin Bancorp, Inc.	1,012,916	11.83	599,455	7.00	N/A	N/A
Origin Bank	1,019,732	11.95	597,548	7.00	554,866	6.50
Tier 1 Capital to Risk-Weighted Assets						
Origin Bancorp, Inc.	1,028,729	12.01	727,907	8.50	N/A	N/A
Origin Bank	1,019,732	11.95	725,593	8.50	682,912	8.00
Total Capital to Risk-Weighted Assets						
Origin Bancorp, Inc.	1,286,604	15.02	899,184	10.50	N/A	N/A
Origin Bank	1,188,000	13.92	896,320	10.50	853,638	10.00
Leverage Ratio						
Origin Bancorp, Inc.	1,028,729	10.50	391,822	4.00	N/A	N/A
Origin Bank	1,019,732	10.45	390,246	4.00	487,807	5.00

In the ordinary course of business, the Company depends on dividends from the Bank to provide funds for the payment of dividends to stockholders and to provide for other cash requirements. Banking regulations may limit the amount of dividends that may be paid. Approval by regulatory authorities is required if the effect of dividends declared would cause the regulatory capital of the Bank to fall below specified minimum levels. Approval is also required if dividends declared and paid exceed the Bank's year-to-date net income combined with the retained net income for the preceding year, which was $69.6 million at September 30, 2024.

Stock Repurchases

In July 2022, the Board of Directors of the Company authorized a stock repurchase program pursuant to which the Company may, from time to time, purchase up to $50 million of its outstanding common stock. The shares may be repurchased in the open market or in privately negotiated transactions from time to time, depending upon market conditions and other factors, and in accordance with applicable regulations of the Securities and Exchange Commission. The stock repurchase program is intended to expire in three years but may be terminated or amended by the Board of Directors at any time. The stock repurchase program does not obligate the Company to purchase any shares at any time.

There have been no stock repurchases during the nine months ended September 30, 2024 or 2023.

Note 12 — Commitments and Contingencies

Credit-Related Commitments

In the ordinary course of business, the Company enters into financial instruments, such as commitments to extend credit and letters of credit, to meet the financing needs of its customers. Such instruments are not reflected in the accompanying consolidated financial statements until they are funded, although they expose the Company to varying degrees of credit risk and interest rate risk in much the same way as funded loans.

Commitments to extend credit include revolving commercial credit lines, non-revolving loan commitments issued mainly to finance the merger and development or construction of real property or equipment, and credit card and personal credit lines. The availability of funds under commercial credit lines and loan commitments generally depends on whether the borrower continues to meet credit standards established in the underlying contract and has not violated other contractual conditions. Loan commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee by the borrower. Credit card and personal credit lines are generally subject to cancellation if the borrower's credit quality deteriorates. A number of commercial and personal credit lines are used only partially or, in some cases, not at all before they expire, and the total commitment amounts do not necessarily represent future cash requirements of the Company.

A substantial majority of the letters of credit are standby agreements that obligate the Company to fulfill a customer's financial commitments to a third party if the customer is unable to perform. The Company issues standby letters of credit primarily to provide credit enhancement to its customers' other commercial or public financing arrangements and to help them demonstrate financial capacity to vendors of essential goods and services.

The contract amounts of these instruments reflect the Company's exposure to credit risk. The Company undertakes the same credit evaluation in making loan commitments and assuming conditional obligations as it does for on-balance sheet instruments and may require collateral or other credit support.

The table below presents the Company's commitments to extend credit by commitment expiration date for the dates indicated:

(Dollars in thousands) September 30, 2024	Less than One Year	One-Three Years	Three-Five Years	Greater than Five Years	Total
Commitments to extend credit[(1)]	$ 789,841	$ 634,711	$ 329,739	$ 41,184	$ 1,795,475
Standby letters of credit	141,770	67,823	11,273	350	221,216
Total off-balance sheet commitments	$ 931,611	$ 702,534	$ 341,012	$ 41,534	$ 2,016,691
December 31, 2023					
Commitments to extend credit[(1)]	$ 955,486	$ 990,690	$ 349,918	$ 58,954	$ 2,355,048
Standby letters of credit	103,280	20,458	32,957	—	156,695
Total off-balance sheet commitments	$ 1,058,766	$ 1,011,148	$ 382,875	$ 58,954	$ 2,511,743

(1) Includes $717.3 million and $759.4 million of unconditionally cancellable commitments at September 30, 2024, and December 31, 2023, respectively.

At September 30, 2024, the Company held 39 unfunded letters of credit from the FHLB totaling $729.2 million, with expiration dates ranging from October 16, 2024, to September 22, 2027. At December 31, 2023, the Company held 31 unfunded letters of credit from the FHLB totaling $693.6 million, with expiration dates ranging from January 14, 2024, to September 22, 2027.

Management establishes an asset-specific allowance for certain lending-related commitments and computes a formula-based allowance for performing consumer and commercial lending-related commitments. These are computed using a methodology similar to that used for the commercial loan portfolio, modified for expected maturities and probabilities of drawdown. The reserve for lending-related commitments was $3.4 million and $4.7 million at September 30, 2024, and December 31, 2023, respectively, and is included in accrued expenses and other liabilities in the accompanying consolidated balance sheets.

Loss Contingencies

During the nine months ended September 30, 2024, the Company discovered certain questioned activity involving a former banker. The activity involved the banker, who has since been terminated, facilitating advances in and among certain customer loans and accounts that, in one or more instances, may not have been appropriately documented. The Company has notified its insurance providers of anticipated claims resulting from this activity, but there is no consideration in the Company's financial results of any potential insurance recoveries. The Company's investigation into the questioned activity and impact on its financial statements remains ongoing.

As a result of these specific activities, the Company recorded a provision for loan credit losses of $3.2 million during the quarter ended June 30, 2024. Also, during the quarter ended June 30, 2024, several of the relationships impacted by the activity were placed on non-accrual and we recorded an additional $4.1 million provision for loan credit losses in conjunction with these loan relationships. No additional provision for loan credit losses, or release of provision, has been made related to this activity during the quarter ended September 30, 2024. Therefore, we have total loan loss reserves related to the questioned/impacted activity of $7.3 million at September 30, 2024.

Also, as a result of the questioned activity and during the second and third quarters ended June 30, 2024, and September 30, 2024, the Company recorded additional expenses totaling $2.3 million, which consisted of a loss contingency and interest expense accrual of $1.2 million and legal and professional fees of $1.1 million, recorded in noninterest expense.

The Company continues to work with a third-party forensic accounting team to confirm the Bank's identification and reconciliation of the activity, and also assist in evaluating any additional impact from the questioned activity. There is at least a reasonable possibility that an additional loss may have been incurred in excess of the amount accrued above and that a change in the estimate will occur in the near term. As of the date of this report, management has assessed that an estimate for this additional loss cannot be made. At this time, we believe that any ultimate loss arising from the situation will not be material to our financial position.

From time to time, the Company is also party to various other legal actions arising in the ordinary course of business. Currently, management has not identified any other loss contingencies, either individually or in the aggregate, that would have a material adverse effect on the consolidated financial position or liquidity of the Company.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Unless the context indicates otherwise, references in this report to "we," "us," "our," "our company," "the Company" or "Origin" refer to Origin Bancorp, Inc., a Louisiana corporation, and its consolidated subsidiaries. All references to "Origin Bank" or "the Bank" refer to Origin Bank our wholly-owned bank subsidiary.

The following discussion and analysis presents our financial condition and results of operations on a consolidated basis. However, we conduct all of our material business operations through our wholly-owned bank subsidiary, Origin Bank, the discussion and analysis that follows primarily relates to activities conducted at the Bank level.

The following discussion and analysis should be read in conjunction with our unaudited consolidated financial statements and related condensed notes contained in Item 1 of this report. To the extent that this discussion describes prior performance, the descriptions relate only to the periods listed, which may not be indicative of our future financial outcomes. In addition to historical information, this discussion contains forward-looking statements that involve risks, uncertainties and assumptions that could cause results to differ materially from management's expectations. Factors that could cause such differences are discussed in the sections titled "Cautionary Note Regarding Forward-Looking Statements" and "Item 1A. Risk Factors" and in the section titled "Risk Factors" in our 2023 Form 10-K. We assume no obligation to update any of these forward-looking statements.

General

We are a financial holding company headquartered in Ruston, Louisiana. Origin's wholly owned bank subsidiary, Origin Bank, was founded in 1912 in Choudrant, Louisiana. Deeply rooted in Origin's history is a culture committed to providing personalized relationship banking to businesses, municipalities, and personal clients to enrich the lives of the people in the communities it serves. Origin provides a broad range of financial services and currently operates more than 60 locations in Dallas/Fort Worth, East Texas, Houston, North Louisiana, Mississippi, South Alabama and the Florida Panhandle. As a financial holding company operating through one segment, we generate the majority of our revenue from interest earned on loans and investments, service charges and fees on deposit accounts.

We incur interest expense on deposits and other borrowed funds and noninterest expense, such as salaries and employee benefits and occupancy expenses. We analyze our ability to maximize the income generated from interest-earning assets and minimize expense of our liabilities through our net interest margin. Net interest margin is a ratio calculated as net interest income divided by average interest-earning assets. Net interest income is the difference between interest income on interest-earning assets, such as loans, securities and interest-bearing cash, and interest expense on interest-bearing liabilities, such as deposits and borrowings. Net interest spread is the average yield on interest-earning assets minus the average rate on interest-bearing liabilities.

Changes in market interest rates and the interest rates we earn on interest-earning assets or pay on interest-bearing liabilities, as well as in the volume and types of interest-earning assets and interest-bearing liabilities are usually the largest drivers of periodic changes in net interest spread, net interest margin and net interest income.

2024 Third Quarter Highlights

- Total loans held for investment ("LHFI") were $7.96 billion at September 30, 2024, reflecting an increase of $295.8 million, or 3.9%, compared to December 31, 2023. LHFI, excluding mortgage warehouse lines of credit, were $7.46 billion at September 30, 2024, reflecting an increase of $130.6 million, or 1.8%, compared to December 31, 2023.
- Total deposits were $8.49 billion at September 30, 2024, reflecting an increase of $235.4 million, or 2.9%, compared to December 31, 2023. Deposits, excluding brokered deposits, were $8.05 billion reflecting an increase of $248.8 million, or 3.2%, compared to December 31, 2023.
- Net interest income was $74.8 million for three months ended September 30, 2024, reflecting an increase of $674,000, or 0.9%, compared to the three months ended September 30, 2023.
- Book value per common share was $36.76 at September 30, 2024, reflecting an increase of $2.46, or 7.2%, compared to December 31, 2023.
- Stockholders' equity was $1.15 billion at September 30, 2024, reflecting an increase of $82.8 million, or 7.8%, compared to December 31, 2023.

- At September 30, 2024, and December 31, 2023, Company level common equity Tier 1 capital to risk-weighted assets was 12.46%, and 11.83%, respectively, the Tier 1 leverage ratio was 10.93% and 10.50%, respectively, and the total capital ratio was 15.45% and 15.02%, respectively.

Results of Operations

Our net income decreased $5.7 million, or 23.5%, to $18.6 million for the three months ended September 30, 2024, from $24.3 million for the three months ended September 30, 2023. On a diluted EPS basis, we reported $0.60 per share for the three months ended September 30, 2024, compared to $0.79 per share for the three months ended September 30, 2023. For the nine months ended September 30, 2024, our net income decreased $8.2 million, or 11.6%, to $62.2 million, from $70.4 million for the nine months ended September 30, 2023. We reported $2.00 diluted EPS per share for the nine months ended September 30, 2024, compared to $2.28 for the nine months ended September 30, 2023.

The three and nine months ended September 30, 2024, was impacted by certain questioned activity involving a former banker which was explained in detail in Part I, Item 1, *Note 12 — Commitments and Contingencies* under *Loss Contingencies.* These items negatively impacted our diluted EPS by $0.02 and $0.27 for the three and nine months ended September 30, 2024, respectively.

Net Interest Income and Net Interest Margin for the Three Months Ended September 30, 2024 and 2023

Net interest income for the three months ended September 30, 2024, was $74.8 million, an increase of $674,000, or 0.9%, compared to the three months ended September 30, 2023. The increase was primarily driven by an $8.8 million increase in total interest income, partially offset by an $8.1 million increase in interest expense during the three months ended September 30, 2024, compared to three months ended September 30, 2023.

Interest income earned on LHFI increased by $11.9 million during the three months ended September 30, 2024, compared to the three months ended September 30, 2023, with $6.3 million of the increase attributed to higher yields and $5.6 million due to higher average LHFI balances. Interest income earned on LHFI during the three months ended September 30, 2024, increased in substantially all loan categories, when compared to the three months ended September 30, 2023. Interest income earned on real estate loans, commercial and industrial loans and mortgage warehouse lines of credit contributed $6.9 million, $2.5 million and $2.5 million, respectively, when compared to the three months ended September 30, 2023. Increases in interest rates drove $4.2 million and $1.6 million of the increase in interest income earned on real estate loans and commercial and industrial loans, and increases in average loan balances drove $2.8 million and $2.0 million of the increase in interest income earned on real estate loans and mortgage warehouse lines of credit for the comparable periods, respectively. The increase in interest income earned on LHFI was partially offset by a $2.0 million decrease in interest income earned on investment securities, primarily due to our strategic decision to sell available for sale investment securities to pay down FHLB advances during the intervening period.

Interest expense on interest-bearing deposits increased by $11.5 million, with $9.3 million of the increase driven by higher interest rates during the three months ended September 30, 2024, compared to the three months ended September 30, 2023. The increase in interest expense was partially offset by a decrease of $2.7 million due to lower average FHLB advances and other borrowings during the three months ended September 30, 2024, compared to the three months ended September 30, 2023.

The Federal Reserve Board sets various benchmark rates, including the federal funds rate, and thereby influences the general market rates of interest, including the loan and deposit rates offered by financial institutions. The federal funds target rate range was reduced by 50 basis points on September 18, 2024, to a range of 4.75% to 5.00%, the first rate reduction since early 2020. Prior to this movement, the fed funds rate was at a 23-year high.

The NIM-FTE was 3.18% for the three months ended September 30, 2024, a four-basis point increase from 3.14% for the three months ended September 30, 2023. The primary driver of the increase was a change in the mix of interest-earning assets with higher yielding average LHFI balances increasing to 84.1% of total interest-earning assets during the three months ended September 30, 2024, compared to 80.1% during the three months ended September 30, 2023. Partially offsetting this increase was continued decrease in the net interest spread reflected by a 45-basis point increase in the cost of interest-bearing liabilities to 4.04% from 3.59% for the three months ended September 30, 2024, compared to the three months ended September 30, 2023, with only a 40-basis point increase in the yield earned on interest-earning assets to 6.09% from 5.69% for the same period.

The following table presents average balance sheet information, interest income, interest expense and the corresponding average yields earned, and rates paid for the three months ended September 30, 2024 and 2023.

	Three Months Ended September 30,					
	2024			2023		
(Dollars in thousands) **Assets**	**Average Balance**[1]	**Income/Expense**	**Yield/Rate**	**Average Balance**[1]	**Income/Expense**	**Yield/Rate**
Commercial real estate	$ 2,507,566	$ 37,398	5.93 %	$ 2,428,969	$ 35,090	5.73 %
Construction/land/land development	1,019,302	18,873	7.37	1,044,180	18,539	7.04
Residential real estate	1,824,725	25,499	5.56	1,663,291	21,195	5.06
Commercial and industrial	2,071,984	41,439	7.96	2,024,675	38,907	7.62
Mortgage warehouse lines of credit	484,680	9,302	7.64	376,275	6,838	7.21
Consumer	22,739	453	7.93	23,704	462	7.74
LHFI	7,930,996	132,964	6.67	7,561,094	121,031	6.35
Loans held for sale	14,645	231	6.28	11,829	173	5.81
Loans receivable	7,945,641	133,195	6.67	7,572,923	121,204	6.35
Investment securities-taxable	1,038,634	6,536	2.50	1,310,459	8,194	2.48
Investment securities-non-taxable	146,619	905	2.46	216,700	1,281	2.35
Non-marketable equity securities held in other financial institutions	66,409	475	2.85	58,421	952	6.47
Interest-bearing deposits in banks	229,224	3,146	5.46	279,383	3,820	5.42
Total interest-earning assets	9,426,527	144,257	6.09	9,437,886	135,451	5.69
Noninterest-earning assets	559,309			597,678		
Total assets	$ 9,985,836			$ 10,035,564		
Liabilities and Stockholders' Equity						
Liabilities						
Interest-bearing liabilities						
Savings and interest-bearing transaction accounts	$ 5,177,522	$ 50,554	3.88 %	$ 4,728,211	$ 39,042	3.28 %
Time deposits	1,469,849	16,497	4.47	1,626,935	16,557	4.04
Total interest-bearing deposits	6,647,371	67,051	4.01	6,355,146	55,599	3.47
FHLB advances & other borrowings	40,331	482	4.75	230,815	3,207	5.51
Subordinated indebtedness	159,826	1,920	4.78	196,792	2,515	5.07
Total interest-bearing liabilities	6,847,528	69,453	4.04	6,782,753	61,321	3.59
Noninterest-bearing liabilities						
Noninterest-bearing deposits	1,850,046			2,088,183		
Other liabilities	162,565			151,716		
Total liabilities	8,860,139			9,022,652		
Stockholders' Equity	1,125,697			1,012,912		
Total liabilities and stockholders' equity	$ 9,985,836			$ 10,035,564		
Net interest spread			2.05 %			2.10 %
Net interest income and margin		$ 74,804	3.16		$ 74,130	3.12
Net interest income and margin - (tax equivalent)[2]		$ 75,338	3.18		$ 74,775	3.14

(1) Nonaccrual loans are included in their respective loan category for the purpose of calculating the yield earned. All average balances are daily average balances.

(2) In order to present pre-tax income and resulting yields on tax-exempt investments comparable to those on taxable investments, a tax-equivalent adjustment has been computed. This adjustment also includes income tax credits received on Qualified School Construction Bonds and income from tax-exempt investments, and tax credits were computed using a federal income tax rate of 21%.

Rate/Volume Analysis

The following table presents the dollar amount of changes in interest income and interest expense for major components of interest-earning assets and interest-bearing liabilities. It distinguishes between the changes related to outstanding balances and those due to changes in interest rates. The change in interest attributable to rate changes has been determined by applying the change in rate between periods to average balances outstanding in the earlier period. The change in interest due to volume has been determined by applying the rate from the earlier period to the change in average balances outstanding between periods. For purposes of this table, changes attributable to both rate and volume that cannot be segregated, including the difference in day count, have been allocated to rate.

	Three Months Ended September 30, 2024 vs. Three Months Ended September 30, 2023		
(Dollars in thousands)	Increase (Decrease) Due To Change In		
Interest-earning assets			
Loans:	Volume	Yield/Rate	Total Change
Commercial real estate	$ 1,135	$ 1,173	$ 2,308
Construction/land/land development	(442)	776	334
Residential real estate	2,057	2,247	4,304
Commercial and industrial	909	1,623	2,532
Mortgage warehouse lines of credit	1,970	494	2,464
Consumer	(19)	10	(9)
Loans held for sale	41	17	58
Loans receivable	5,651	6,340	11,991
Investment securities-taxable	(1,700)	42	(1,658)
Investment securities-non-taxable	(414)	38	(376)
Non-marketable equity securities held in other financial institutions	130	(607)	(477)
Interest-bearing deposits in banks	(686)	12	(674)
Total interest-earning assets	2,981	5,825	8,806
Interest-bearing liabilities			
Savings and interest-bearing transaction accounts	3,710	7,802	11,512
Time deposits	(1,599)	1,539	(60)
FHLB advances & other borrowings	(2,647)	(78)	(2,725)
Subordinated indebtedness	(472)	(123)	(595)
Total interest-bearing liabilities	(1,008)	9,140	8,132
Net interest income	$ 3,989	$ (3,315)	$ 674

Provision for Credit Losses

The provision for credit losses, which includes the provisions for loan credit losses, off-balance sheet commitments credit losses and security credit losses, is based on management’s assessment of the adequacy of our allowance for credit losses (“ACL”) for loans, securities, and our reserve for off-balance-sheet lending commitments. Factors impacting the provision include inherent risk characteristics in our loan portfolio, the level of nonperforming loans and net charge-offs, both current and historic, local economic and credit conditions, the direction of the change in collateral values, reasonable and supportable forecasts, and the funding probability on unfunded lending commitments. The provision for credit losses is charged against earnings in order to maintain our ACL, which reflects management’s best estimate of the life of loan credit losses inherent in our loan portfolio at the balance sheet date, and our reserve for off-balance-sheet lending commitments, which reflects management’s best estimate of losses inherent in our legally binding lending-related commitments. The allowance is increased by the provision for loan credit losses and decreased by charge-offs, net of recoveries.

Total provision expense increased by $1.1 million, to $4.6 million for the three months ended September 30, 2024, from $3.5 million for the three months ended September 30, 2023, primarily driven by an $1.1 million increase in provision expense for loan credit losses. The net increase in the provision expense for loan credit losses for the three months ended September 30, 2024, compared to the three months ended September 30, 2023, was primarily due to increases in provision for loans individually evaluated.

Net charge-offs increased to $9.5 million for the three months ended September 30, 2024, from $2.7 million for the three months ended September 30, 2023, primarily due to charge-offs on three commercial and industrial relationships totaling $10.4 million during the three months ended September 30, 2024, which was partially offset by a $1.2 million increase in recoveries. The allowance for loan credit losses (“ALCL”) to nonperforming LHFI was 149.35% at September 30, 2024, compared to 301.12% at September 30, 2023, primarily driven by an increase of $32.7 million in our nonperforming LHFI compared to September 30, 2023, with $32.8 million of the increase primarily driven by five loan relationships, related to or impacted by, the questioned loan activity described in Part I, Item 1, *Note 12 — Commitments and Contingencies* under *Loss Contingencies*. Net charge-offs to total average LHFI (annualized) increased to 0.48% for the three months ended September 30, 2024, from 0.14% for the three months ended September 30, 2023, due to higher net charge-offs during the three months ended September 30, 2024.

Noninterest Income

Our primary sources of recurring noninterest income are insurance commission and fee income, service charges and fees, other fee income, and mortgage banking revenue.

The table below presents the various components of and changes in our noninterest income for the periods indicated.

(Dollars in thousands)	Three Months Ended September 30,			
Noninterest income:	2024	2023	$ Change	% Change
Insurance commission and fee income	$ 6,928	$ 6,443	$ 485	7.5 %
Service charges and fees	4,664	4,621	43	0.9
Other fee income	2,114	2,006	108	5.4
Mortgage banking revenue	1,153	892	261	29.3
Swap fee income	106	366	(260)	(71.0)
Gain (loss) on sales of securities, net	221	(7,173)	7,394	103.1
Change in fair value of equity investments	—	10,096	(10,096)	(100.0)
Other income	803	868	(65)	(7.5)
Total noninterest income	$ 15,989	$ 18,119	$ (2,130)	(11.8)

Noninterest income for the three months ended September 30, 2024, decreased by $2.1 million, or 11.8%, to $16.0 million, compared to $18.1 million for the three months ended September 30, 2023, primarily due to a decrease of $10.1 million in the change in fair value of equity investments partially offset by an increase of $7.4 million in gain (loss) on sales of securities, net.

Change in fair value of equity investments. The $10.1 million decrease in change in fair value of equity investments was primarily due to a $10.1 million positive valuation adjustment on a non-marketable equity security that occurred during the three months ended September 30, 2023, with no comparable amount realized during the three months ended September 30, 2024.

Gain (loss) on sales of securities, net. The $7.4 million increase in gain (loss) on sales of securities, net was due to the sale of available for sale investment securities with a book value of $181.9 million, which realized a loss on sale of $7.2 million during three months ended September 30, 2023, with no comparable loss realized during the three months ended September 30, 2024.

Noninterest Expense

The following table presents the significant components of noninterest expense for the periods indicated:

(Dollars in thousands)	Three Months Ended September 30,			
Noninterest expense:	2024	2023	$ Change	% Change
Salaries and employee benefits	$ 38,491	$ 34,624	$ 3,867	11.2 %
Occupancy and equipment, net	6,298	6,790	(492)	(7.2)
Data processing	3,470	2,775	695	25.0
Office and operations	2,984	2,868	116	4.0
Intangible asset amortization	1,905	2,264	(359)	(15.9)
Regulatory assessments	1,791	1,913	(122)	(6.4)
Advertising and marketing	1,449	1,371	78	5.7
Professional services	2,012	1,409	603	42.8
Loan-related expenses	751	1,220	(469)	(38.4)
Electronic banking	1,308	1,384	(76)	(5.5)
Franchise tax expense	721	520	201	38.7
Other expense	1,341	1,525	(184)	(12.1)
Total noninterest expense	$ 62,521	$ 58,663	$ 3,858	6.6

Noninterest expense for the three months ended September 30, 2024, increased by $3.9 million, or 6.6%, to $62.5 million, compared to $58.7 million for the three months ended September 30, 2023, primarily due to increases of $3.9 million, $695,000 and $603,000 in salaries and employee benefits expense, data processing expense and professional services expense, respectively.

Salaries and employee benefits. The $3.9 million increase in salaries and employee benefits expenses was primarily driven by increases of $1.5 million, $783,000, $751,000 and $606,000 in salary expense, share-based compensation, medical insurance expense and incentive compensation bonus, respectively. The increase in salary expense was mainly attributed to raises given as a result of our annual salary reviews in March 2024, combined with an increase of 12 full-time equivalent employees to 1,049 at September 30, 2024, from 1,037 at September 30, 2023. The increase in share-based compensation was primarily due to quarterly evaluation adjustments on performance stock units to align with payout expectations based on company performance. Medical insurance expense increased as a result of higher insurance premiums combined with higher self-insurance claims during the current period. The increase in incentive compensation bonuses can be attributed primarily to elevated anticipated payouts, driven by a greater focus on meeting deposit objectives. This is evidenced by a larger sum of incentives linked to these deposit goals, alongside an increase in accruals associated with financial targets for the three months ended September 30, 2024, compared to the three months ended September 30, 2023, leading to an increase in bonus expense.

Data Processing. The $695,000 increase in data processing expense was primarily due to an increase of $437,000 in software expenses, primarily driven by new services and increased fees for the three months ended September 30, 2024, compared to three months ended September 30, 2023.

Professional Services. The $603,000 increase in professional services was primarily due to $848,000 legal and audit fees that were incurred during the current quarter related to the questioned activity mentioned previously.

Income Tax Expense

For the three months ended September 30, 2024, we recognized income tax expense of $5.1 million, compared to $5.8 million for the three months ended September 30, 2023. The effective tax rate for the three months ended September 30, 2024 and the three months ended September 30, 2023 was 21.4% and 19.1%, respectively.

Comparison of Results of Operations for the Nine Months Ended September 30, 2024 and 2023

Net Interest Income and Net Interest Margin

Net interest income for the nine months ended September 30, 2024, was $222.0 million, a decrease of $4.6 million, or 2.0%, compared to the nine months ended September 30, 2023. The decline was primarily due to an increase in our total interest expense of $41.4 million, while total interest income increased by $36.8 million, during the nine months ended September 30, 2024, compared to the nine months ended September 30, 2023.

Interest expense on interest-bearing deposits increased by $58.7 million, with $45.0 million of the increase driven by higher interest rates during the nine months ended September 30, 2024, compared to the nine months ended September 30, 2023. The increase in interest expense was partially offset by a decrease of $15.4 million due to lower average FHLB advances and other borrowings during the nine months ended September 30, 2024, compared to the nine months ended September 30, 2023, as a result of a strategic decision to sell available for sale securities to pay down borrowings and fund loan growth during the intervening period.

Interest income earned on LHFI during the nine months ended September 30, 2024, increased in substantially all loan categories when compared to the nine months ended September 30, 2023. Interest income earned on real estate loans, commercial and industrial loans and mortgage warehouse lines of credit contributed $31.3 million, $9.0 million and $6.9 million, respectively, of the $47.1 million total increase in interest income earned on LHFI when compared to the nine months ended September 30, 2023. Increases in interest rates drove $17.2 million, $5.8 million and $3.1 million of the increase in interest income earned on real estate loans, commercial and industrial loans, and mortgage warehouse lines of credit, and increases in average loan balances drove $14.1 million, $3.9 million and $3.2 million of the increase in interest income earned on real estate loans, mortgage warehouse lines of credit and commercial and industrial loans for the comparable periods, respectively.

The increase in interest income earned on LHFI was partially offset by lower average balances in investment securities and interest-bearing deposits in banks during the nine months ended September 30, 2024, compared to the nine months ended September 30, 2023. This decline led to a decrease of $11.0 million in interest income and was a result of our strategic decision to sell available for sale securities to pay down borrowings, fund loan growth, and to hold excess cash for contingency liquidity purposes during the nine months ended September 30, 2023.

The NIM-FTE was 3.18% for the nine months ended September 30, 2024, a six basis point decrease from 3.24% for the nine months ended September 30, 2023. There was no impact to the NIM-FTE as a result of purchase accounting accretion income due to the BTH merger for the nine months ended September 30, 2024, compared to three basis points for the nine months ended September 30, 2023. The primary driver of this margin compression was a 72-basis point increase in the rate paid on interest-bearing liabilities to 3.96% for the nine months ended September 30, 2024, from 3.24% for nine months ended September 30, 2023, compared to just a 54-basis point increase in the yield earned on interest-earning assets to 6.04% from 5.50%.

As discussed previously in the Part I, Item 1, *Note 12 — Commitments and Contingencies* under *Loss Contingencies,* the reversal of $1.2 million of accrued interest associated with the impact of the questioned activity drove a two-basis point decline in the NIM-FTE for the nine months ended September 30, 2024. Had we not experienced the reversal of the accrued interest, our NIM-FTE would have been 3.20% for the nine months ended September 30, 2024, reflecting a four basis point decrease compared to the nine months ended September 30, 2023.

The following table presents average consolidated balance sheet information, interest income, interest expense and the corresponding average yields earned, and rates paid for the nine months ended September 30, 2024 and 2023.

	Nine Months Ended September 30,					
	2024			2023		
(Dollars in thousands) **Assets**	Average Balance(1)	Income/Expense	Yield/Rate	Average Balance(1)	Income/Expense	Yield/Rate
Commercial real estate	$ 2,481,274	$ 109,475	5.89 %	$ 2,393,028	$ 99,497	5.56 %
Construction/land/land development	1,069,360	57,632	7.20	997,296	50,354	6.75
Residential real estate	1,784,035	73,186	5.48	1,599,803	59,155	4.94
Commercial and industrial	2,107,195	124,733	7.91	2,051,272	115,750	7.54
Mortgage warehouse lines of credit	407,553	23,194	7.60	329,205	16,262	6.60
Consumer	22,818	1,370	8.02	24,836	1,431	7.71
LHFI	7,872,235	389,590	6.61	7,395,440	342,449	6.19
Loans held for sale	14,086	670	6.35	20,105	693	4.61
Loans receivable	7,886,321	390,260	6.61	7,415,545	343,142	6.19
Investment securities-taxable	1,060,060	19,991	2.52	1,358,913	24,658	2.43
Investment securities-non-taxable	145,978	2,708	2.48	224,985	3,974	2.36
Non-marketable equity securities held in other financial institutions	60,400	1,936	4.28	69,505	2,772	5.33
Interest-bearing deposits in banks	241,383	9,857	5.45	352,166	13,360	5.07
Total interest-earning assets	9,394,142	424,752	6.04	9,421,114	387,906	5.50
Noninterest-earning assets	557,748			582,983		
Total assets	$ 9,951,890			$ 10,004,097		
Liabilities and Stockholders' Equity						
Liabilities						
Interest-bearing liabilities						
Savings and interest-bearing transaction accounts	$ 5,105,883	$ 144,909	3.79 %	$ 4,706,150	$ 101,674	2.89 %
Time deposits	1,522,647	50,453	4.43	1,329,881	35,012	3.52
Total interest-bearing deposits	6,628,530	195,362	3.94	6,036,031	136,686	3.03
FHLB advances & other borrowings	41,424	1,514	4.88	430,650	17,038	5.29
Subordinated indebtedness	161,677	5,859	4.84	199,568	7,614	5.10
Total interest-bearing liabilities	6,831,631	202,735	3.96	6,666,249	161,338	3.24
Noninterest-bearing liabilities						
Noninterest-bearing deposits	1,870,154			2,205,664		
Other liabilities	159,087			136,789		
Total liabilities	8,860,872			9,008,702		
Stockholders' Equity	1,091,018			995,395		
Total liabilities and stockholders' equity	$ 9,951,890			$ 10,004,097		
Net interest spread			2.08 %			2.26 %
Net interest income and margin		$ 222,017	3.16		$ 226,568	3.22
Net interest income and margin - (tax equivalent)(2)		$ 223,640	3.18		$ 228,538	3.24

(1) Nonaccrual loans are included in their respective loan category for the purpose of calculating the yield earned. All average balances are daily average balances.

(2) In order to present pre-tax income and resulting yields on tax-exempt investments comparable to those on taxable investments, a tax-equivalent adjustment has been computed. This adjustment also includes income tax credits received on Qualified School Construction Bonds and income from tax-exempt investments, and tax credits were computed using a federal income tax rate of 21%.

Rate/Volume Analysis

The following tables present the dollar amount of changes in interest income and interest expense for major components of interest-earning assets and interest-bearing liabilities. It distinguishes between the changes related to outstanding balances and those due to changes in interest rates. The change in interest attributable to rate changes has been determined by applying the change in rate between periods to average balances outstanding in the earlier period. The change in interest due to volume has been determined by applying the rate from the earlier period to the change in average balances outstanding between periods. For purposes of the below table, changes attributable to both rate and volume that cannot be segregated, including the difference in day count, have been allocated to rate.

	Nine Months Ended September 30, 2024 vs. Nine Months Ended September 30, 2023		
(Dollars in thousands)			
Interest-earning assets	Increase (Decrease) due to Change in		
Loans:	Volume	Yield/Rate	Total Change
Commercial real estate	$ 3,669	$ 6,309	$ 9,978
Construction/land/land development	3,639	3,639	7,278
Residential real estate	6,812	7,219	14,031
Commercial and industrial	3,156	5,827	8,983
Mortgage warehouse lines of credit	3,870	3,062	6,932
Consumer	(116)	55	(61)
Loans held for sale	(207)	184	(23)
Loans receivable	20,823	26,295	47,118
Investment securities-taxable	(5,423)	756	(4,667)
Investment securities-non-taxable	(1,396)	130	(1,266)
Non-marketable equity securities held in other financial institutions	(363)	(473)	(836)
Interest-bearing deposits in banks	(4,203)	700	(3,503)
Total interest-earning assets	9,438	27,408	36,846
Interest-bearing liabilities			
Savings and interest-bearing transaction accounts	8,636	34,599	43,235
Time deposits	5,075	10,366	15,441
FHLB advances & other borrowings	(15,399)	(125)	(15,524)
Subordinated indebtedness	(1,446)	(309)	(1,755)
Total interest-bearing liabilities	(3,134)	44,531	41,397
Net interest income	$ 12,572	$ (17,123)	$ (4,551)

Provision for Credit Losses

We recorded a provision expense of $12.8 million for the nine months ended September 30, 2024, a $1.2 million decrease from $14.0 million for the nine months ended September 30, 2023. The decrease was primarily driven by a $1.4 million decrease in provision for off-balance sheet items, primarily due to lower loan commitment balances at September 30, 2024, compared to September 30, 2023.

Additionally, as discussed in detail in *Part I, Item 1, Note 12 — Commitments and Contingencies* under *Loss Contingencies,* we experienced a combined $7.3 million provision increase associated with the questioned activity recognized during the nine months ended September 30, 2024.

Net charge-offs were $15.0 million during the nine months ended September 30, 2024, compared to $5.9 million during the nine months ended September 30, 2023, primarily due to a $8.9 million increase in net charge-offs on commercial and industrial loans. The increase was primarily due to charge-offs on three relationships totaling $10.4 million during the nine months ended September 30, 2024, partially offset by recoveries on one relationship totaling $2.8 million.

Noninterest Income

The table below presents the various components of and changes in our noninterest income for the periods indicated.

(Dollars in thousands)	Nine Months Ended September 30,			
Noninterest income:	2024	2023	$ Change	% Change
Insurance commission and fee income	$ 21,318	$ 19,639	$ 1,679	8.5 %
Service charges and fees	14,214	13,914	300	2.2
Other fee income	6,765	5,970	795	13.3
Mortgage banking revenue	5,429	4,075	1,354	33.2
Swap fee income	207	1,081	(874)	(80.9)
(Loss) gain on sales of securities, net	(182)	(7,029)	6,847	97.4
Change in fair value of equity investments	5,188	10,096	(4,908)	(48.6)
Other income	2,770	2,393	377	15.8
Total noninterest income	$ 55,709	$ 50,139	$ 5,570	11.1

Noninterest income for the nine months ended September 30, 2024, increased by $5.6 million, or 11.1%, to $55.7 million, compared to $50.1 million for the nine months ended September 30, 2023. The increase was primarily due to increases of $6.8 million, $1.7 million and $1.4 million in (loss) gain on sales of securities, net, insurance commission and fee income and mortgage banking revenue, respectively. These increases were offset by decreases of $4.9 million and $874,000 in change in fair value of equity investments and swap fee income, respectively.

(Loss) gain on sales of securities, net. The $6.8 million increase in (loss) gain on sales of securities, net was mainly due to sale of available for sale investment securities with a book value of $181.9 million, which realized a loss on sale of $7.2 million during the nine months ended September 30, 2023, with no comparable amount realized during the nine months ended September 30, 2024.

Insurance commission and fee income. The $1.7 million increase in insurance commission and fee income was mainly due to increases in both direct bill commission and contingency income. The increase in direct bill commission was mainly driven by higher commissions from property and casualty insurance. The increase in contingency income was mainly due to new commercial accounts combined with lower claims for catastrophic events experienced by our insurance agency counterparties during the nine months ended September 30, 2024, compared to the nine months ended September 30, 2023.

Mortgage banking revenue. The $1.4 million increase in mortgage banking revenue compared to the nine months ended September 30, 2023, was primarily due to a $1.5 million increase in gain on sale of loans held for sale combined with the $410,000 gain on sale of MSR, partially offset by a $549,000 decrease in servicing revenue during the nine months ended September 30, 2024.

Change in fair value of equity investments. The decrease in change in fair value of equity investments was primarily due to a $5.2 million positive valuation adjustment on a non-marketable equity security during the nine months ended September 30, 2024, which was more than offset by a $10.1 million positive valuation adjustment on a non-marketable equity security that occurred during the nine months ended September 30, 2023.

Swap fee income. The $874,000 decrease in swap fee income was primarily due to a lower amount of swaps executed during the nine months ended September 30, 2024, compared to the nine months ended September 30, 2023. This was largely due to the expectation throughout nine months ended September 30, 2024, that the Federal Reserve would cut rates.

Noninterest Expense

The following table presents the significant components of noninterest expense for the periods indicated:

(Dollars in thousands)	Nine Months Ended September 30,			
Noninterest expense:	2024	2023	$ Change	% Change
Salaries and employee benefits	$ 112,418	$ 102,888	$ 9,530	9.3 %
Occupancy and equipment, net	19,952	19,871	81	0.4
Data processing	10,083	8,528	1,555	18.2
Office and operations	8,558	7,887	671	8.5
Intangible asset amortization	6,179	7,369	(1,190)	(16.1)
Regulatory assessments	5,367	4,596	771	16.8
Advertising and marketing	4,221	4,296	(75)	(1.7)
Professional services	4,546	4,491	55	1.2
Loan-related expenses	2,733	3,941	(1,208)	(30.7)
Electronic banking	3,785	3,609	176	4.9
Franchise tax expense	2,013	2,392	(379)	(15.8)
Other expense	5,761	4,442	1,319	29.7
Total noninterest expense	$ 185,616	$ 174,310	$ 11,306	6.5

Noninterest expense for the nine months ended September 30, 2024, increased by $11.3 million, or 6.5%, to $185.6 million, compared to $174.3 million for the nine months ended September 30, 2023, primarily due to increases of $9.5 million, $1.6 million and $1.3 million in salaries and employee benefits, data processing and other expense, respectively. These increases were offset by decreases of $1.2 million in both loan-related expenses and intangible asset amortization, respectively

Salaries and employee benefits. The $9.5 million increase in salaries and employee benefits expenses was primarily driven by increases of $5.3 million, $2.0 million, and $1.3 million and $1.1 million in salary expense, share-based compensation, medical insurance expenses and incentive compensation bonus, respectively. The increase in salary expense was mainly attributed to raises given as a result of our annual salary reviews in March 2024 and March 2023, combined with an increase of 12 full-time equivalent employees to 1,049 at September 30, 2024, from 1,037 at September 30, 2023. The increase in share-based compensation was primarily due to quarterly evaluation adjustments on performance stock units to align with payout expectations based on company performance. Medical insurance expense increased as a result of higher insurance premiums combined with higher self-insurance claims during the current period. The increase in incentive compensation bonuses can be attributed primarily to elevated anticipated payouts, driven by a greater focus on meeting deposit objectives. This is evidenced by a larger sum of incentives linked to these deposit goals, alongside an increase in accruals associated with financial targets for the nine months ended September 30, 2024, compared to the nine months ended September 30, 2023.

Data Processing. The $1.6 million increase in data processing expense was primarily due to an increase of $969,000 in software expenses, primarily driven by new services and increased fees for the nine months ended September 30, 2024, compared to the nine months ended September 30, 2023. Also, contributing a combined increase of $563,000 were increased expenses associated with core services, compliance systems and finance and accounting data processing costs.

Other expense. The increase in other expense resulted from recognizing a contingent liability associated with certain questioned activity involving a single banker in one of our East Texas markets totaling approximately $1.2 million for the nine months ended September 30, 2024.

Loan-related expenses. The $1.2 million decrease in loan-related expenses was primarily due to decreases of $397,000 and $395,000 in loan related legal fees and servicing costs, respectively.

Intangible asset amortization. The $1.2 million decrease in intangible asset amortization is primarily due to the accelerated amortization method used to measure the amortization expense of the assets.

Income Tax Expense

For the nine months ended September 30, 2024, we recognized income tax expense of $17.0 million, compared to $18.0 million for the nine months ended September 30, 2023. Our effective tax rate was 21.5% for the nine months ended September 30, 2024, compared to 20.4% for the nine months ended September 30, 2023.

Comparison of Financial Condition at September 30, 2024, and December 31, 2023

General

Total assets increased by $243.4 million, or 2.5%, to $9.97 billion at September 30, 2024, from $9.72 billion at December 31, 2023. The increase in total assets is primarily due to increases of $295.8 million and $40.8 million in our LHFI and cash and cash equivalents, respectively. These increases were partially offset by a decrease of $92.7 million in available for sale securities. LHFI were $7.96 billion at September 30, 2024, an increase of 3.9%, compared to $7.66 billion at December 31, 2023. Cash and cash equivalents increased to $321.2 million, an increase of 14.5%, at September 30, 2024, compared to $280.4 million at December 31, 2023. Available for sale securities declined to $1.16 billion, reflecting a 7.4% decrease, at September 30, 2024, compared to $1.25 billion at December 31, 2023.

Total deposits increased by $235.4 million, or 2.9%, to $8.49 billion at September 30, 2024, from $8.25 billion at December 31, 2023, primarily due to increases of $201.6 million and $55.4 million in money market and time deposits, respectively. These increases were partially offset by a decrease of $25.9 million in noninterest-bearing demand deposits. The increase in total deposits was partially offset by decreases in Federal Home Loan Bank advances, repurchase agreements and other borrowings of $53.2 million, or 63.6%, to $30.4 million at September 30, 2024, from $83.6 million at December 31, 2023.

Loan Portfolio

Our loan portfolio is our largest category of interest-earning assets, and interest income earned on our loan portfolio is our primary source of income. At September 30, 2024, 76.5% of the loan portfolio held for investment was comprised of commercial and industrial loans, including mortgage warehouse lines of credit, commercial real estate and construction/land/land development loans, which were primarily originated within our legacy market areas of Texas, North Louisiana, and Mississippi, compared to 77.1% at December 31, 2023.

The following table presents the ending balance of our loan portfolio held for investment at the dates indicated.

(Dollars in thousands)	September 30, 2024		December 31, 2023		2024 vs. 2023	
Real estate:	Amount	Percent	Amount	Percent	$ Change	% Change
Commercial real estate ("CRE")(1)	$ 2,524,764	31.7 %	$ 2,442,734	31.9 %	$ 82,030	3.4 %
Construction/land/land development	991,545	12.5	1,070,225	14.0	(78,680)	(7.4)
Residential real estate	1,848,330	23.2	1,734,935	22.6	113,395	6.5
Total real estate	5,364,639	67.4	5,247,894	68.5	116,745	2.2
Commercial and industrial	2,074,037	26.1	2,059,460	26.9	14,577	0.7
Mortgage warehouse lines of credit	495,188	6.2	329,966	4.3	165,222	50.1
Consumer	22,926	0.3	23,624	0.3	(698)	(3.0)
Total LHFI	$ 7,956,790	100.0 %	$ 7,660,944	100.0 %	$ 295,846	3.9

(1) Includes owner-occupied CRE of $991.7 million and $953.8 million at September 30, 2024 and December 31, 2023, respectively.

At September 30, 2024, total LHFI were $7.96 billion, an increase of $295.8 million, or 3.9%, compared to $7.66 billion at December 31, 2023. The increase was primarily driven by loan growth of $165.2 million, $113.4 million and $82.0 million in mortgage warehouse lines of credit loans, residential real estate, and CRE, respectively. These increases were offset by a decrease of $78.7 million in construction/land/land development loans. Total LHFI at September 30, 2024, excluding mortgage warehouse lines of credit, were $7.46 billion, reflecting an increase of $130.6 million, or 1.8%, compared to December 31, 2023.

A significant portion, 31.7%, of our LHFI portfolio at September 30, 2024, consisted of CRE loans secured by real estate properties. Such loans can involve high principal loan amounts, and the repayment of these loans is dependent, in large part, on a borrower's ongoing business operations or on income generated from the properties that are leased to third parties.

The table below sets forth the CRE loan portfolio, by portfolio industry sector and collateral location as of September 30, 2024.

	September 30, 2024				
(Dollars in thousands)	Texas State	Louisiana State	Mississippi State	All Other States	Total
Non-owner occupied CRE:					
Office building	$ 278,911	$ 21,677	$ 46,104	$ 17,997	$ 364,689
Retail shopping	259,785	46,013	33,593	103,466	442,857
Real estate & construction	161,238	49,807	5,430	39,402	255,877
Healthcare	73,125	45,771	5,769	27,319	151,984
Hotels	5,558	51,116	35,654	9,370	101,698
All other sectors	136,339	11,156	9,416	59,077	215,988
Total non-owner occupied CRE	914,956	225,540	135,966	256,631	1,533,093
Owner occupied CRE:					
Real estate & construction	183,209	47,057	17,770	13,932	261,968
Retail shopping	120,028	15,862	760	1,829	138,479
Consumer Services	40,865	15,308	268	—	56,441
Entertainment & Recreation	37,581	21,151	10,292	—	69,024
All other sectors	251,666	122,150	26,147	65,796	465,759
Total owner occupied CRE	633,349	221,528	55,237	81,557	991,671
Total CRE loans	$ 1,548,305	$ 447,068	$ 191,203	$ 338,188	$ 2,524,764

Loan Portfolio Maturity Analysis

The table below presents the maturity distribution of our LHFI at September 30, 2024. The table also presents the portion of our loans that have fixed interest rates, rather than interest rates that fluctuate over the life of the loans, based on changes in the interest rate environment.

	September 30, 2024				
(Dollars in thousands)	One Year or Less	After One Year Through Five Years	After Five Years Through Fifteen Years	After Fifteen Years	Total
Real estate:					
Commercial real estate	$ 367,620	$ 1,777,695	$ 361,978	$ 17,471	$ 2,524,764
Construction/land/land development	333,714	588,803	43,548	25,480	991,545
Residential real estate	163,460	780,732	69,455	834,683	1,848,330
Total real estate	864,794	3,147,230	474,981	877,634	5,364,639
Commercial and industrial	848,733	1,129,777	95,399	128	2,074,037
Mortgage warehouse lines of credit	495,188	—	—	—	495,188
Consumer	8,260	13,710	515	441	22,926
Total LHFI	$ 2,216,975	$ 4,290,717	$ 570,895	$ 878,203	$ 7,956,790
Amounts with fixed rates	$ 487,719	$ 2,257,402	$ 357,189	$ 180,193	$ 3,282,503
Amounts with variable rates	1,729,256	2,033,315	213,706	698,010	4,674,287
Total	$ 2,216,975	$ 4,290,717	$ 570,895	$ 878,203	$ 7,956,790

Nonperforming Assets

Nonperforming assets consist of nonperforming/nonaccrual loans and property acquired through foreclosures or repossession, as well as bank-owned property not in use and listed for sale.

Loans are placed on nonaccrual status when management believes that the borrower's financial condition, after giving consideration to economic and business conditions, and collection efforts, is such that collection of interest is doubtful, or generally when loans are 90 days or more past due. Loans may be placed on nonaccrual status even if the contractual payments are not past due if information becomes available that causes substantial doubt about the borrower's ability to meet the contractual obligations of the loan. When accrual of interest is discontinued, all unpaid accrued interest is reversed. Past due status is based on the contractual terms of the loan. Interest income on nonaccrual loans may be recognized to the extent cash payments are received, but payments received are usually applied to principal. Nonaccrual loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured. If a loan is determined by management to be uncollectible, regardless of size, the portion of the loan determined to be uncollectible is then charged to the ALCL.

Purchased loans that have experienced more than insignificant credit deterioration since origination are purchased credit deteriorated ("PCD") loans. The Company evaluates acquired loans for deterioration in credit quality based on any of, but not limited to, the following: (1) nonaccrual status; (2) borrowers are experiencing financial difficulty which results in modification to the loan terms; (3) risk ratings of special mention, substandard or doubtful; (4) watchlist credits; and (5) delinquency status, including loans that are current on merger/acquisition date, but had previously been 60 days delinquent twice. An allowance for credit losses is determined using the same methodology as other individually evaluated loans. Subsequent changes to the allowance for credit losses are recorded through the provision for credit losses. We held approximately $25.0 million of unpaid principal balance PCD loans at September 30, 2024, and $34.8 million of unpaid principal balance PCD loans at December 31, 2023.

We manage the quality of our lending portfolio in part through a disciplined underwriting policy and through continual monitoring of loan performance and borrowers' financial condition. There can be no assurance, however, that our loan portfolio will not become subject to losses due to declines in economic conditions or deterioration in the financial condition of our borrowers.

The following table shows our nonperforming loans and nonperforming assets at the dates indicated:

(Dollars in thousands)		
Nonperforming LHFI:	**September 30, 2024**	**December 31, 2023**
Commercial real estate	$ 2,776	$ 786
Construction/land/land development	26,291	305
Residential real estate	14,313	13,037
Commercial and industrial	20,486	15,897
Consumer	407	90
Total nonperforming LHFI	64,273	30,115
Other real estate owned:		
Commercial real estate, construction/land/land development	4,782	3,068
Residential real estate	1,261	846
Total other real estate owned	6,043	3,914
Other repossessed assets owned	—	15
Total repossessed assets owned	6,043	3,929
Total nonperforming assets	$ 70,316	$ 34,044
Total LHFI	$ 7,956,790	$ 7,660,944
Ratio of nonperforming LHFI to total LHFI	0.81 %	0.39 %
Ratio of nonperforming assets to total assets	0.71	0.35

As discussed in our June 30, 2024, Origin Bancorp, Inc. Form 10-Q, and explained in detail in *Part I, Item 1, Note 12 — Commitments and Contingencies* under *Loss Contingencies,* our credit metrics were negatively impacted by certain questioned activity involving a single banker, who has since been terminated, in our East Texas market. Our investigation of this activity remains ongoing and is not final. We continue to work with an outside forensic accounting firm to confirm the Bank's identification and reconciliation of the activity, targeting a conclusion of this analysis by the end of this year. At this time, we believe that any ultimate loss arising from the situation will not be material to our financial position.

Nonperforming LHFI increased $34.2 million at September 30, 2024, compared to December 31, 2023, and nonperforming LHFI to LHFI increased to 0.81% compared to 0.39%. The $34.2 million increase in non-performing loans was primarily driven by $32.8 million, or five loan relationships, related to, or impacted by, the questioned loan activity mentioned above. Please see *Note 4 — Loans* to our consolidated financial statements contained in Part I, Item 1 of this report for more information on nonperforming loans.

Potential Problem Loans

From a credit risk standpoint, we classify loans using risk grades which fall into one of five categories: pass, special mention, substandard, doubtful or loss. The classifications of loans reflect a judgment about the risks of default and loss associated with the loan. We review the ratings on loans and adjust them to reflect the degree of risk and loss that is felt to be inherent or expected in each loan. The methodology is structured, so that reserve allocations are increased in accordance with deterioration in credit quality (and a corresponding increase in risk and loss) or decreased in accordance with improvement in credit quality (and a corresponding decrease in risk and loss). Loans rated special mention reflect borrowers who exhibit credit weaknesses or downward trends deserving close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the asset or in the Bank's credit position at some future date. While potentially weak, no loss of principal or interest is envisioned, and these borrowers currently do not pose sufficient risk to warrant adverse classification. Loans rated substandard are those borrowers with deteriorating trends and well-defined weaknesses that jeopardize the orderly liquidation of debt. A substandard loan is inadequately protected by the current sound worth and paying capacity of the obligor or by the collateral pledged, if any, and where normal repayment from the borrower might be in jeopardy.

Loans rated as doubtful have the weaknesses of substandard assets with the additional characteristic that the weaknesses make collection or liquidation in full questionable, and there is a high probability of loss based on currently existing facts, conditions and values. Loans classified as loss are charged-off, and we have no expectation of the recovery of any payments with respect to loans rated as loss. Information regarding the internal risk ratings of our loans at September 30, 2024, is included in *Note 4 — Loans* to our consolidated financial statements contained in Part I, Item 1 of this report.

Allowance for Loan Credit Losses

The ALCL represents the estimated losses for loans accounted for on an amortized cost basis. Expected losses are calculated using relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. We evaluate LHFI on a pool basis with pools of loans characterized by loan type, collateral, industry, internal credit risk rating and FICO score. We apply a probability of default, loss given default loss methodology, to the loan pools at September 30, 2024. Historical loss rates for each pool are calculated based on charge-off and recovery data beginning with the second quarter of 2012. These loss rates are adjusted for the effects of certain economic variables forecast over a one-year period, particularly for differences between current period conditions and the conditions existing during the historical loss period. Subsequent to the forecast effects, historical loss rates are used to estimate losses over the estimated remaining lives of the loans. The estimated remaining lives consist of the contractual lives, adjusted for estimated prepayments. Loans that exhibit characteristics different from their pool characteristics are evaluated on an individual basis. Certain of these loans are considered to be collateral dependent, with the borrower experiencing financial difficulty. For these loans, the fair value of collateral practical expedient is elected whereby the allowance is calculated as the amount by which the amortized cost exceeds the fair value of collateral, less costs to sell (if applicable). Those individual loans that are not collateral dependent are evaluated based on a discounted cash flow methodology.

The amount of the ALCL is affected by loan charge-offs, which decrease the allowance, recoveries on loans previously charged off, which increase the allowance, as well as the provision for loan credit losses charged to income, which increases the allowance. In determining the provision for loan credit losses, management monitors fluctuations in the allowance resulting from actual charge-offs and recoveries and periodically reviews the size and composition of the loan portfolio in light of current and forecasted economic conditions. If actual losses exceed the amount of the ALCL, it would materially and adversely affect our earnings.

Acquisition Accounting and Acquired Loans. We account for our mergers/acquisitions under Financial Accounting Standards Board ("FASB") *ASC Topic 805, Business Combinations*, which requires the use of the acquisition method of accounting. All identifiable assets acquired, including loans, are recorded at fair value. In accordance with ASC 326, we record a discount or premium, and also an allowance for credit losses on acquired loans. All purchased loans are recorded at fair value in accordance with the fair value methodology prescribed in FASB *ASC Topic 820, Fair Value Measurements*. The fair value estimates associated with the loans include estimates related to expected prepayments and the amount and timing of undiscounted expected principal, interest and other cash flows.

Purchased loans that have experienced more than insignificant credit deterioration since origination are PCD loans. An ALCL is determined using the same methodology as other individually evaluated loans. The sum of the loan's purchase price and allowance for credit losses becomes its initial amortized cost basis. The difference between the initial amortized cost basis and the par value of the loan is a non-credit discount or premium, which is amortized or accreted into interest income over the life of the loan. Subsequent changes to the ALCL are recorded through the provision for credit losses.

As a general rule, when it becomes evident that the full principal and accrued interest of a loan may not be collected, or at 90 days past due, we will reflect that loan as nonperforming. It will remain nonperforming until it performs in a manner that it is reasonable to expect that we will collect principal and accrued interest in full. When the amount or likelihood of a loss on a loan has been confirmed, a charge-off will be taken in the period it is determined.

We establish general allocations for each major loan category and credit quality. The general allocation is based, in part, on historical charge-off experience and loss given default methodology, derived from our internal risk rating process. Other adjustments may be made to the allowance for pools of loans after an assessment of internal or external influences on credit quality that are not fully reflected in the historical loss or risk rating data. We give consideration to trends, changes in loan mix, delinquencies, prior losses, reasonable and supportable forecasts and other related information.

In connection with the review of our loan portfolio, we consider risk elements attributable to particular loan types or categories in assessing the quality of individual loans. Some of the risk elements we consider include:

- for commercial real estate loans, the debt service coverage ratio, operating results of the owner in the case of owner-occupied properties, the loan to value ratio, the age and condition of the collateral and the volatility of income, property value and future operating results typical of properties of that type;
- for construction, land and land development loans, the perceived feasibility of the project, including the ability to sell developed lots or improvements constructed for resale or the ability to lease property constructed for lease, the quality and nature of contracts for presale or prelease, if any, experience and ability of the developer and loan to value ratio;
- for residential mortgage loans, the borrower's ability to repay the loan, including a consideration of the debt to income ratio and employment and income stability, the loan-to-value ratio, and the age, condition and marketability of the collateral;
- for commercial and industrial loans, the debt service coverage ratio (income from the business in excess of operating expenses compared to loan repayment requirements), the operating results of the commercial, industrial or professional enterprise, the borrower's business, professional and financial ability and expertise, the specific risks and volatility of income and operating results typical for businesses in that category and the value, nature and marketability of collateral; and
- for mortgage warehouse loans, the borrower's adherence to agency or investor underwriting guidelines, while the risk associated with the underlying consumer mortgage loan repayments, similar to other consumer loans, depends on the borrower's financial stability and are more likely than commercial loans to be adversely affected by divorce, job loss, illness and other personal hardships.

The ALCL to nonperforming LHFI decreased to 149.35% at September 30, 2024, compared to 321.66% at December 31, 2023, primarily driven by an increase of $34.2 million in the Company's nonperforming LHFI as explained in the preceding *Nonperforming Assets* section, during the nine months ended September 30, 2024.

The following table presents an analysis of the ALCL and other related data at the periods indicated.

(Dollars in thousands)	Nine Months Ended September 30,		Year Ended December 31,
ALCL	2024	2023	2023
Balance at beginning of period	$ 96,868	$ 87,161	$ 87,161
Provision for loan credit losses	14,169	13,932	17,514
Charge-offs:			
Commercial real estate	480	42	42
Residential real estate	11	27	27
Commercial and industrial	21,044	8,070	11,833
Consumer	80	107	147
Total charge-offs	21,615	8,246	12,049
Recoveries:			
Commercial real estate	318	113	140
Construction/land/land development	—	3	3
Residential real estate	12	13	17
Commercial and industrial	6,228	2,189	4,068
Consumer	9	12	14
Total recoveries	6,567	2,330	4,242
Net charge-offs	15,048	5,916	7,807
Balance at end of period	$ 95,989	$ 95,177	$ 96,868
Ratio of ALCL to:			
Nonperforming LHFI	149.35 %	301.12 %	321.66 %
LHFI	1.21	1.26	1.26
Net charge-offs (annualized) as a percentage of:			
Provision for loan credit loss	106.20	42.46	44.58
ALCL	20.94	8.31	8.06
Average LHFI	0.26	0.11	0.10

Securities

Our securities portfolio totaled $1.18 billion at September 30, 2024, representing a decrease of $93.5 million, or 7.3%, from $1.27 billion at December 31, 2023. The decrease was primarily due to sales, maturities and calls, as well as normal principal paydowns during the nine months ended September 30, 2024.

Our available for sale portfolio totaled $1.16 billion at September 30, 2024, and represented 98.5% of our total security portfolio and is comprised of 49.6% mortgage-backed, 24.9% municipal, 14.7% collateralized mortgage obligations, 6.9% corporate and 3.9% treasury/agency securities. Our available for sale portfolio totaled $1.25 billion at December 31, 2023, and represented 98.6% of our total security portfolio and is comprised of 47.8% mortgage-backed, 22.5% municipal, 13.2% collateralized mortgage obligations, 10.1% corporate/asset-backed and 6.4% treasury/agency securities.

All of our mortgage-backed securities and collateralized mortgage obligations are issued and/or guaranteed by U.S. government agencies or U.S. government-sponsored entities. We do not hold any Fannie Mae or Freddie Mac preferred stock, collateralized debt obligations, collateralized loan obligations, structured investment vehicles, private label collateralized mortgage obligations, subprime, Alt-A, or second lien elements in our investment portfolio. As of September 30, 2024, our investment portfolio did not contain any securities that are directly backed by subprime or Alt-A mortgages.

The securities portfolio had a weighted average effective duration of 4.21 years at September 30, 2024, compared to 4.28 years at December 31, 2023. For additional information regarding our securities portfolio, please see *Note 3 — Securities* in the condensed notes to our consolidated financial statements contained in Part I, Item 1 of this report.

Deposits

Deposits are the primary funding source used to fund our loans, investments and operating needs. We offer a variety of products designed to attract and retain both consumer and commercial deposit customers. These products consist of noninterest and interest-bearing checking accounts, savings deposits, money market accounts and time deposits. Deposits are primarily gathered from individuals, partnerships and corporations in our market areas. We also obtain deposits from local municipalities and state agencies.

Total deposits increased at September 30, 2024, compared to December 31, 2023, primarily due to increases of $201.6 million, $55.4 million and $20.5 million in money market, time and savings deposits, respectively, and partially offset by a decrease of $25.9 million in noninterest-bearing demand deposits. Typically, higher interest rates and sustained inflation will cause customers to move liquid asset balances into higher interest-earning vehicles such as money market funds.

The following table presents our deposit mix at the dates indicated:

	September 30, 2024		December 31, 2023			
(Dollars in thousands)	Balance	% of Total	Balance	% of Total	$ Change	% Change
Noninterest-bearing demand	$ 1,893,767	22.3 %	$ 1,919,638	23.3 %	$ (25,871)	(1.3)%
Money market	2,974,401	35.0	2,772,807	33.6	201,594	7.3
Interest-bearing demand	1,873,066	22.1	1,875,864	22.7	(2,798)	(0.1)
Time deposits	1,023,252	12.1	967,901	11.7	55,351	5.7
Brokered deposits[(1)]	431,609	5.1	444,989	5.4	(13,380)	(3.0)
Savings	290,473	3.4	269,926	3.3	20,547	7.6
Total deposits	$ 8,486,568	100.0 %	$ 8,251,125	100.0 %	$ 235,443	2.9

____

(1) At September 30, 2024, brokered deposits included brokered time deposits and brokered interest-bearing demand of $331.3 million and $100.3 million, respectively. At December 31, 2023, brokered deposits included brokered time deposits of $445.0 million.

We manage our interest expense on deposits through specific deposit product pricing that is based on competitive pricing, economic conditions and current and anticipated funding needs. We may use interest rates as a mechanism to attract or deter additional deposits based on our anticipated funding needs and liquidity position. We also consider potential interest rate risk caused by extended maturities of time deposits when setting the interest rates in periods of future economic uncertainty.

The following table reflects the classification of our average deposits and the average rate paid on each deposit category for the periods indicated:

	Nine Months Ended September 30,					
	2024			2023		
(Dollars in thousands)	Average Balance	Interest Expense	Average Rate Paid	Average Balance	Interest Expense	Average Rate Paid
Interest-bearing demand	$ 1,864,257	$ 48,265	3.46 %	$ 1,797,370	$ 35,480	2.64 %
Money market	2,894,086	90,365	4.17	2,612,275	64,332	3.29
Time deposits	1,012,218	29,958	3.95	898,227	18,738	2.79
Brokered deposits[(1)]	571,392	23,011	5.38	431,654	16,274	5.04
Savings	286,577	3,763	1.75	296,505	1,862	0.84
Total interest-bearing	6,628,530	195,362	3.94	6,036,031	136,686	3.03
Noninterest-bearing demand	1,870,154	—		2,205,664	—	
Total average deposits	$ 8,498,684	$ 195,362	3.07	$ 8,241,695	$ 136,686	2.22

(1) Average brokered deposits include average brokered time deposits and average brokered interest-bearing demand of $510.4 million and $61.0 million, respectively, for the nine months ended September 30, 2024. Average brokered deposits included average brokered time deposits of $431.7 million for the nine months ended September 30, 2023.

Our average deposit balance was $8.50 billion for the nine months ended September 30, 2024, an increase of $257.0 million, or 3.1%, from $8.24 billion for the nine months ended September 30, 2023. The average annualized rate paid on our interest-bearing deposits for the nine months ended September 30, 2024, was 3.94%, compared to 3.03% for the nine months ended September 30, 2023.

The increase in the average cost of our deposits was primarily the result of the rapidly rising interest rate environment experienced since March 2022, when the Federal Reserve Board started a series of eleven federal funds target range rate increases cumulating in a 525-basis point increase to a target range of 5.25% to 5.50%. More recently, in September 2024, the Federal Reserve Board cut the federal funds target range rate 50 basis points from a 23-year high of 5.25% to 5.50% to 4.75% to 5.00%.

Average noninterest-bearing deposits during the nine months ended September 30, 2024, were $1.87 billion, compared to $2.21 billion at September 30, 2023, a decrease of $335.5 million, or 15.2%, and represented 22.0% and 26.8% of average total deposits for the nine months ended September 30, 2024 and 2023, respectively. Noninterest-bearing deposits have been impacted by the higher interest rate environment, as customers have been moving out of noninterest-bearing deposit balances into higher interest-earning investments, however, this trend has been slowing as rates begin to stabilize.

Borrowings

Borrowed funds are summarized as follows:

(Dollars in thousands)	September 30, 2024	December 31, 2023
Short-term FHLB advances	$ 20,000	$ 70,000
Long-term FHLB advances	6,268	6,474
Overnight repurchase agreements with depositors	4,178	7,124
Total FHLB advances and other borrowings	$ 30,446	$ 83,598
Subordinated indebtedness, net	$ 159,861	$ 194,279

At December 31, 2023, the Company had $34.7 million in subordinated promissory notes that were assumed in the merger with BTH ("BTH Notes") with origination dates ranging from June 2015 to June 2021. After the five-year anniversary of issuance, the Company had the right to redeem the BTH Notes in part or in full at the Company's discretion and, if applicable, subject to receipt of any required regulatory approvals. Primarily due to the declining Tier 2 capital contribution of the BTH Notes, the Company elected to redeem all but $1.1 million of the BTH Notes during the nine months ended September 30, 2024.

At September 30, 2024 and December 31, 2023, we were eligible to borrow an additional $2.11 billion and $2.01 billion, respectively, from the FHLB.

Liquidity and Capital Resources

Overview

Management oversees our liquidity position to ensure adequate cash and liquid assets are available to support our operations and satisfy current and future financial obligations, including demand for loan funding and deposit withdrawals. Management continually monitors, forecasts and tests our liquidity and non-core dependency ratios to ensure compliance with targets established by our Asset-Liability Management Committee and approved by our board of directors.

Management measures our liquidity position by giving consideration to both on-balance sheet and off-balance sheet sources of, and demands for, funds on a daily and weekly basis.

The Company, which is a separate legal entity apart from the Bank, must provide for its own liquidity, including payment of any dividends that may be declared for its common stockholders and interest and principal on any outstanding debt or trust preferred securities incurred by the Company. The cash held at the holding Company is available for general corporate purposes described above, as well as providing capital support to the Bank. In addition, at September 30, 2024, and December 31, 2023, the Company had a line of credit under the terms of which the loan amount shall not exceed an aggregate principal balance of $100 million, consisting of an initial $50 million extension of credit and any one or more potential incremental revolving loan amounts that the lender may make in its sole discretion, up to an aggregate principal of $50 million, upon the request of the Company.

The table below shows the liquidity measures for the Company at the dates indicated:

(Dollars in thousands)	September 30, 2024	December 31, 2023
Available cash balances at the holding company (unconsolidated)	$ 55,437	$ 87,698
Cash and liquid securities as a percentage of total assets	10.7 %	10.9 %

There are regulatory restrictions on the ability of the Bank to pay dividends under federal and state laws, regulations and policies; please see *Note 11 — Capital and Regulatory Matters* in the condensed notes to our consolidated financial statements for more information on the availability of Bank dividends.

Liquidity Sources

In addition to cash generated from operations, we utilize a number of funding sources to manage our liquidity, including core deposits, investment securities, cash and cash equivalents, loan repayments, federal funds lines of credit available from other financial institutions, as well as advances from the FHLB. We also have access to the Federal Reserve discount window as a source of short-term funding.

Core deposits, which are total deposits excluding time deposits greater than $250,000 and brokered deposits, are a major source of funds used to meet our cash flow needs. Maintaining the ability to acquire these funds as needed in a variety of markets is the key to assuring our liquidity.

Our investment portfolio is another source for meeting our liquidity needs. Monthly payments on mortgage-backed securities are used for short-term liquidity, and our investments are generally traded in active markets that offer a readily available source of cash liquidity through sales, if needed. Securities in our investment portfolio are also used to secure certain deposit types, such as deposits from state and local municipalities, and can be pledged as collateral for other borrowing sources.

Other sources available for meeting liquidity needs include long- and short-term advances from the FHLB and unsecured federal funds lines of credit. Long-term funds obtained from the FHLB are primarily used as an alternative source to fund long-term growth of the balance sheet by supporting growth in loans and other long-term interest-earning assets. We typically rely on such funding when the cost of such borrowings compares favorably to the rates that we would be required to pay for other funding sources, including certain deposits.

We also had unsecured federal funds lines of credit available to us, with no amounts outstanding at either September 30, 2024, or December 31, 2023. These lines of credit primarily provide short-term liquidity and, in order to ensure the availability of these funds, we test these lines of credit at least annually. Interest is charged at the prevailing market rate on federal funds purchased and FHLB advances.

Additionally, at September 30, 2024, we had the ability to borrow $1.40 billion from the discount window at the Federal Reserve Bank of Dallas (“FRB”), with $1.61 billion in commercial and industrial loans pledged as collateral. There were no borrowings against this line at September 30, 2024, or December 31, 2023.

In the normal course of business as a financial services provider, we enter into financial instruments, such as certain contractual obligations and commitments to extend credit and letters of credit, to meet the financing needs of our customers. These commitments involve elements of credit risk, interest rate risk and liquidity risk. Some instruments may not be reflected in our consolidated financial statements until they are funded, and a significant portion of commitments to extend credit may expire without being drawn, although they expose us to varying degrees of credit risk and interest rate risk in much the same way as funded loans. Please see *Note 12 — Commitments and Contingencies* in the condensed notes to our consolidated financial statements for more information on our off-balance sheet commitments.

Stockholders’ Equity

Stockholders’ equity provides a source of permanent funding, allows for future growth and provides a degree of protection to withstand unforeseen adverse developments. Changes in stockholders’ equity is reflected below:

(Dollars in thousands)	Total Stockholders’ Equity
Balance at January 1, 2024	$ 1,062,905
Net income	62,222
Other comprehensive income, net of tax	26,778
Dividends declared - common stock ($0.45 per share)	(14,222)
Stock compensation, net	7,990
Balance at September 30, 2024	$ 1,145,673

Please see Part II, Item 2. *“Unregistered Sales of Equity Securities, Use of Proceeds and Issuer Purchases of Equity Securities”* below for information on the Company’s stock repurchase program.

Regulatory Capital Requirements

Together with the Bank, we are subject to various regulatory capital requirements administered by federal banking agencies. Failure to meet minimum capital requirements may result in certain actions by regulators that, if enforced, could have a direct material effect on our financial statements. At September 30, 2024 and December 31, 2023, we and the Bank were in compliance with all applicable regulatory capital requirements, and the Bank was classified as “well capitalized” for purposes of the prompt corrective action regulations of the Federal Reserve. As we deploy capital and continue to grow operations, regulatory capital levels may decrease depending on the level of earnings. However, we expect to monitor and control growth in order to remain “well capitalized” under applicable regulatory guidelines and in compliance with all applicable regulatory capital standards. While we are currently classified as “well capitalized,” an extended economic recession could adversely impact our reported and regulatory capital ratios.

The following table presents our regulatory capital ratios, as well as those of the Bank, at the dates indicated:

(Dollars in thousands)	September 30, 2024		December 31, 2023	
Origin Bancorp, Inc.	Amount	Ratio	Amount	Ratio
Common equity Tier 1 capital (to risk-weighted assets)	$ 1,073,318	12.46 %	$ 1,012,916	11.83 %
Tier 1 capital (to risk-weighted assets)	1,089,200	12.64	1,028,729	12.01
Total capital (to risk-weighted assets)	1,331,311	15.45	1,286,604	15.02
Tier 1 capital (to average total consolidated assets)	1,089,200	10.93	1,028,729	10.50
Origin Bank				
Common equity Tier 1 capital (to risk-weighted assets)	$ 1,064,953	12.43 %	$ 1,019,732	11.95 %
Tier 1 capital (to risk-weighted assets)	1,064,953	12.43	1,019,732	11.95
Total capital (to risk-weighted assets)	1,233,004	14.39	1,188,000	13.92
Tier 1 capital (to average total consolidated assets)	1,064,953	10.75	1,019,732	10.45

Critical Accounting Policies and Estimates

SEC guidance requires disclosure of “critical accounting estimates.” The SEC defines “critical accounting estimates” as those estimates made in accordance with generally accepted accounting principles that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on the financial condition or results of operations of the registrant.

Our accounting policies are fundamental to understanding our management’s discussion and analysis of our results of operations and financial condition. We have identified certain significant accounting policies which involve a higher degree of judgment and complexity in making certain estimates and assumptions that affect amounts reported in our consolidated financial statements. Please see *Note 1 — Significant Accounting Policies* in the notes to our consolidated financial statements included in the Company's 2023 Form 10-K filed with the SEC for more information about our critical accounting policies and use of estimates.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Sensitivity and Market Risk

As a financial institution, our primary component of market risk is interest rate volatility. Our financial management policy provides management with guidelines for effective funds management, and we have established a measurement system for monitoring the net interest rate sensitivity position.

Fluctuations in interest rates will ultimately impact both the level of income and expense recorded on most of our assets and liabilities, and the market value of all interest-earning assets and interest-bearing liabilities, other than those which have a short-term to maturity. Interest rate risk is the potential for economic losses due to future interest rate changes. These economic losses can be reflected as a loss of future net interest income and/or a loss of current fair market values. The objective is to measure the effect on net interest income and to adjust the consolidated balance sheets to minimize the inherent risk while at the same time maximizing income.

We manage exposure to interest rates by structuring the consolidated balance sheet in the ordinary course of business. We may utilize derivative financial instruments as part of an ongoing effort to mitigate interest rate risk exposure to interest rate fluctuations and facilitate the needs of our customers. For more information about our derivative financial instruments, see *Note 8 — Derivative Financial Instruments* in the notes to our consolidated financial statements contained in Part I, Item 1 of this report. Based on the nature of operations, we are not subject to foreign exchange or commodity price risk.

Our exposure to interest rate risk is managed by the Bank's Asset-Liability Management Committee in accordance with policies approved by the Bank's board of directors. The committee formulates strategies based on appropriate levels of interest rate risk. In determining the appropriate level of interest rate risk, the committee considers the impact on earnings and capital of the current outlook on interest rates, potential changes in interest rates, regional economies, liquidity, business strategies and other factors.

The committee meets regularly to review, among other things, the sensitivity of assets and liabilities to interest rate changes, the book and market values of assets and liabilities, unrealized gains and losses, purchase and sale activities, commitments to originate loans and the maturities of investments and borrowings. Additionally, the committee reviews liquidity, cash flow flexibility, maturities of deposits and consumer and commercial deposit activity. We employ methodologies to manage interest rate risk, which includes an analysis of relationships between interest-earning assets and interest-bearing liabilities, and an interest rate shock simulation model.

We use interest rate risk simulation models and shock analyses to test the interest rate sensitivity of net interest income and fair value of equity, and the impact of changes in interest rates on other financial metrics. Our interest rate risk modeling incorporates a number of assumptions, including the repricing sensitivity of certain assets and liabilities, asset prepayment speeds, and the expected average life of non-maturity deposits. The assumptions used are inherently uncertain, and, as a result, the model cannot precisely measure future net interest income or precisely predict the impact of fluctuations in market interest rates on net interest income. Actual results will differ from the model's simulated results due to timing, magnitude and frequency of interest rate changes as well as changes in market conditions and the application and timing of various management strategies.

On a quarterly basis, we run various simulation models, including a static balance sheet and a dynamic growth balance sheet. These models test the impact on net interest income and fair value of equity from changes in market interest rates under various scenarios. Under the static model, rates are shocked instantaneously, and ramped rates change over a twelve-month and twenty-four-month horizon based upon parallel yield curve shifts. Parallel shock scenarios assume instantaneous parallel movements in the yield curve compared to a flat yield curve scenario. Additionally, we run a non-parallel simulation involving analysis of interest income and expense under various changes in the shape of the yield curve. Internal policy regarding interest rate risk simulations currently specifies that for instantaneous parallel shifts of the yield curve, estimated net interest income at risk for the subsequent one-year period should not decline by more than 10.0% for a 100-basis point shift, 15.0% for a 200-basis point shift, 20.0% for a 300-basis point shift, and 25.0% for a 400-basis point shift. We continue to monitor our asset sensitivity and evaluate strategies to prevent being significantly impacted by future changes in interest rates.

The following table summarizes the impact of an instantaneous, sustained simulated change in net interest income and fair value of equity over a 12-month horizon at the date indicated.

	September 30, 2024	
Change in Interest Rates (basis points)	% Change in Net Interest Income	% Change in Fair Value of Equity
+400	12.8 %	(13.1)%
+300	9.7	(9.8)
+200	6.6	(6.3)
+100	3.3	(3.0)
Base		
-100	(3.9)	3.0
-200	(6.0)	6.1
-300	(7.6)	9.5
-400	(7.9)	14.2

We have found that, historically, interest rates on deposits do not change completely in tandem with the changes in the discount and federal funds rates. Overall, interest rates on deposits typically experience a lower degree of rate change than changes in market interest rates. This assumption is incorporated into the simulation model and is generally not fully reflected in a gap analysis, meaning that process by which we measure the gap between interest rate sensitive assets versus interest rate sensitive liabilities. The assumptions incorporated into the model are inherently uncertain and, as a result, the model cannot precisely measure future net interest income or precisely predict the impact of fluctuations in market interest rates on net interest income. Actual results will differ from the model's simulated results due to timing, magnitude and frequency of interest rate changes, as well as changes in market conditions and the application and timing of various strategies.

The Federal Reserve Board sets various benchmark rates, including the federal funds rate, and thereby influences the general market rates of interest, including the loan and deposit rates offered by financial institutions and the fair value of our available for sale securities. The federal funds target rate range has increased 525 basis points starting with the Federal Reserve Board's first rate increase in March 2022, and in order to remain competitive as market interest rates increased, we increased interest rates paid on our deposits. During September 2024, the Federal Reserve cut the federal funds target rate range 50 basis points from a 23-year high of 5.25% to 5.50% to 4.75% to 5.00%.

Impact of Inflation

Our financial statements included herein have been prepared in accordance with U.S. GAAP, which presently requires us to measure the majority of our financial position and operating results primarily in terms of historic dollars. Changes in the relative value of money due to inflation or recession are generally not considered.

Unlike most industrial companies, virtually all of the assets and liabilities of a financial institution are monetary in nature. As a result, interest rates have a more significant impact on a financial institution's performance than the general level of inflation. However, inflation affects financial institutions by increasing their cost of goods and services purchased, as well as the cost of salaries and benefits, occupancy expense, and similar items. Inflation and related increases in interest rates generally decrease the market value of investments and loans held and may adversely affect liquidity, earnings, and stockholders' equity. In management's opinion, changes in interest rates affect the financial condition of a financial institution to a far greater degree than changes in the inflation rate. While interest rates are greatly influenced by changes in the inflation rate, they do not necessarily change at the same rate or in the same magnitude as the inflation rate. Interest rates are highly sensitive to many factors that are beyond our control, including changes in the expected rate of inflation, the influence of general and local economic conditions and the monetary and fiscal policies of the United States government, its agencies and various other governmental regulatory authorities.

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures — As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our design and operation of our disclosure controls and procedures. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management was required to apply judgment in evaluating its controls and procedures. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were effective as of the end of the period covered by this report.

Changes in internal control over financial reporting. Our management, including the Chief Executive Officer and Chief Financial Officer, identified no change in our internal control over financial reporting that occurred during the three month period ended September 30, 2024, that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting. However, we continually evaluate and seek to enhance our internal controls over financial reporting, and, in this regard, we have recently made certain enhancements designed to identify and mitigate events like the questioned activity by the former banker in East Texas previously discussed in this report.

The effectiveness of our disclosure controls and procedures and our internal control over financial reporting is subject to various inherent limitations, including cost limitations, judgments used in decision making, assumptions about the likelihood of future events, the soundness of our systems, the possibility of human error, and the risk of fraud. Moreover, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions and the risk that the degree of compliance with policies or procedures may deteriorate over time. Because of these limitations, any system of disclosure controls and procedures or internal control over financial reporting may not be successful in preventing all errors or fraud or in making all material information known in a timely manner to the appropriate levels of management.

PART II: OTHER INFORMATION

Item 1. Legal Proceedings

Refer to *Note 12 — Commitments and Contingencies - Loss Contingencies* in the Condensed Notes to Consolidated Financial Statements included in Part I, Item 1 of this report for additional information regarding legal proceedings not reportable under this Item.

Item 1A. Risk Factors

There are no material changes during the period covered by this Report to the risk factors previously disclosed in our 2023 Form 10-K.

Item 2. Unregistered Sales of Equity Securities, Use of Proceeds and Issuer Purchases of Equity Securities

(a) Not applicable.

(b) Not applicable.

(c) In July 2022, the Board of Directors of the Company authorized a stock repurchase program pursuant to which the Company may, from time to time, purchase up to $50 million of its outstanding common stock. The shares may be repurchased in the open market or in privately negotiated transactions from time to time, depending upon market conditions and other factors, and in accordance with applicable regulations of the SEC. The stock repurchase program is intended to expire in three years but may be terminated or amended by the Board of Directors at any time. The stock repurchase program does not obligate the Company to purchase any shares at any time.

There were no stock repurchases during the quarter ended September 30, 2024.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

(a) Not applicable.

(b) Not applicable.

(c) Pursuant to Item 408(a) of Regulation S-K, none of our directors or executive officers adopted, terminated or modified a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the three months ended September 30, 2024.

Item 6. Exhibits

Exhibit Number	Description
3.1	Amended and Restated Articles of Incorporation (incorporated by reference to Exhibit 3.1 to the Company's Form 8-K filed April 28, 2020 (File No. 001-38487)).
3.2	Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 to the Company's Form 8-K filed April 28, 2020 (File No. 001-38487)).
4.1	Specimen common stock certificate, incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-1 filed April 10, 2018 (File No. 333-224225)
	Instruments defining the rights of holders of long-term debt of the Company and its subsidiaries are not filed as Exhibits because the amount of debt under each instrument is less than 10% of the consolidated assets of the Company. The Company undertakes to file these instruments with the SEC upon request.
10.1	Origin Bancorp, Inc. Omnibus Incentive Plan incorporated by reference to Appendix A to the Company's Definitive Proxy Statement Schedule 14 A filed March 14, 2024 (File No. 001-38487)
31.1	Certification by Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a).
31.2	Certification by Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a).
32.1	Certification by Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification by Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following financial information from Origin Bancorp, Inc. Quarterly Report on Form 10-Q for the quarter ended September 30, 2024, is formatted in Inline XBRL: (i) the Unaudited Consolidated Balance Sheets, (ii) the Unaudited Consolidated Statements of Income, (iii) the Unaudited Consolidated Statements of Comprehensive Income (Loss), (iv) the Unaudited Consolidated Statements of Changes in Stockholders' Equity, (v) the Unaudited Consolidated Statements of Cash Flows, and (vi) the Condensed Notes to Unaudited Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

SIGNATURES

Pursuant to the requirements of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Origin Bancorp, Inc.

Date:	November 6, 2024	By: **/s/ Drake Mills** Drake Mills Chairman, President and Chief Executive Officer
Date:	November 6, 2024	By: **/s/ William J. Wallace, IV** William J. Wallace, IV Senior Executive Officer and Chief Financial Officer

Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES OXLEY ACT OF 2002

I, Drake Mills, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Origin Bancorp, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 6, 2024

By: **/s/ Drake Mills**
Drake Mills
Chairman, President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES OXLEY ACT OF 2002

I, William J. Wallace, IV, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Origin Bancorp, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2024

By: **/s/ William J. Wallace, IV**
William J. Wallace, IV
Senior Executive Officer and Chief Financial Officer

Exhibit 32.1

STATEMENT FURNISHED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002, 18 U.S.C. SECTION 1350

In connection with the Quarterly Report on Form 10-Q of Origin Bancorp, Inc. (the “Company”), for the quarter ended September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Drake Mills, Chairman, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods presented in the financial statements included in such Report.

Date: November 6, 2024

By: **/s/ Drake Mills**

Drake Mills

Chairman, President and Chief Executive Officer

Exhibit 32.2

STATEMENT FURNISHED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002, 18 U.S.C. SECTION 1350

In connection with the Quarterly Report on Form 10-Q of Origin Bancorp, Inc. (the “Company”), for the quarter ended September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, William J. Wallace, IV, Senior Executive Officer and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods presented in the financial statements included in such Report.

Date: November 6, 2024

By: **/s/ William J. Wallace, IV**
William J. Wallace, IV
Senior Executive Officer and Chief Financial Officer