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 March 31, 2021

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	OBNK	Nasdaq Global Select Market

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: 23,488,884 shares of Common Stock, par value $5.00 per share, were issued and outstanding at April 30, 2021.

ORIGIN BANCORP, INC.

FORM 10-Q

MARCH 31, 2021

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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:

- business and economic conditions generally and in the financial services industry, nationally and within our local market areas;
- natural disasters and adverse weather events, acts of terrorism, an outbreak of hostilities, 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;
- the duration and impacts of the coronavirus ("COVID-19") pandemic and efforts to contain its transmission, as well as the impact of the actions taken by governmental authorities to address the impact of COVID-19 on the United States economy, including, without limitation, the Coronavirus Aid, Relief and Economic Security Act (“CARES Act") and any related future economic stimulus legislation;
- deterioration of our asset quality;
- 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 acquisition transactions;
- 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;
- 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 deposits;
- operational risks associated with our business;
- volatility and direction of market interest rates;

- risks associated with widespread inflation;
- increased competition in the financial services industry, particularly from regional and national institutions;
- our level of nonperforming assets and the costs associated with resolving any problem loans, including litigation and other costs;
- 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;
- changes in the utility of our non-GAAP liquidity measurements and their underlying assumptions or estimates;
- difficult market conditions and unfavorable economic trends in the United States generally, and particularly in the market areas in which Origin operates and in which its loans are concentrated;
- an increase in unemployment levels and slowdowns in economic growth;
- the credit risk associated with the substantial amount of commercial real estate, construction and land development, and commercial loans in our loan portfolio;
- 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;
- 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;
- uncertainty regarding the future of the London Interbank Offered Rate and the impact of any replacement alternatives on our business;
- system failures, cybersecurity threats and/or security breaches and the cost of defending against them;
- other factors that are discussed in the sections titled "Item 1A. Risk Factors" in this report, in our annual report on Form 10-K for the year ended December 31, 2020, and in our other reports filed with the SEC; 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.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

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

	March 31, 2021	December 31, 2020
Assets	(Unaudited)	
Cash and due from banks	$ 64,330	$ 60,544
Interest-bearing deposits in banks	200,571	316,670
Total cash and cash equivalents	264,901	377,214
Securities:		
Available for sale	980,132	1,004,674
Held to maturity, net allowance for credit losses of $66 at both March 31, 2021, and December 31, 2020 (fair value of $40,800 and $41,205 at March 31, 2021, and December 31, 2020, respectively)	37,983	38,128
Securities carried at fair value through income	11,077	11,554
Total securities	1,029,192	1,054,356
Non-marketable equity securities held in other financial institutions	47,274	62,586
Loans held for sale ($82,706 and $136,026 at fair value at March 31, 2021, and December 31, 2020, respectively)	144,950	191,512
Loans, net of allowance for credit losses of $85,136 and $86,670 at March 31, 2021, and December 31, 2020, respectively ($13,578 and $17,011 at fair value at March 31, 2021, and December 31, 2020, respectively)	5,764,624	5,638,103
Premises and equipment, net	81,064	81,763
Mortgage servicing rights	17,552	13,660
Cash surrender value of bank-owned life insurance	37,757	37,553
Goodwill and other intangible assets, net	30,246	30,480
Accrued interest receivable and other assets	145,615	141,041
Total assets	$ 7,563,175	$ 7,628,268
Liabilities and Stockholders' Equity		
Noninterest-bearing deposits	$ 1,736,534	$ 1,607,564
Interest-bearing deposits	3,962,082	3,478,985
Time deposits	647,578	664,766
Total deposits	6,346,194	5,751,315
Federal Home Loan Bank ("FHLB") advances and other borrowings	325,751	984,608
Subordinated debentures, net	157,239	157,181
Accrued expenses and other liabilities	77,636	88,014
Total liabilities	6,906,820	6,981,118
Commitments and contingencies	—	—
Stockholders' equity:		
Preferred stock, no par value, 2,000,000 shares authorized	—	—
Common stock ($5.00 par value; 50,000,000 shares authorized; 23,488,884 and 23,506,312 shares issued at March 31, 2021, and December 31, 2020, respectively)	117,444	117,532
Additional paid-in capital	236,934	237,341
Retained earnings	289,792	266,628
Accumulated other comprehensive income	12,185	25,649
Total stockholders' equity	656,355	647,150
Total liabilities and stockholders' equity	$ 7,563,175	$ 7,628,268

The accompanying 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 March 31,	
	2021	2020
Interest and dividend income		
Interest and fees on loans	$ 56,810	$ 50,049
Investment securities-taxable	3,300	2,712
Investment securities-nontaxable	1,672	758
Interest and dividend income on assets held in other financial institutions	345	1,497
Total interest and dividend income	62,127	55,016
Interest expense		
Interest-bearing deposits	3,789	10,250
FHLB advances and other borrowings	1,269	1,351
Subordinated debentures	1,830	605
Total interest expense	6,888	12,206
Net interest income	55,239	42,810
Provision for credit losses	1,412	18,531
Net interest income after provision for credit losses	53,827	24,279
Noninterest income		
Service charges and fees	3,343	3,320
Mortgage banking revenue	4,577	2,769
Insurance commission and fee income	3,771	3,687
Gain on sales of securities, net	1,668	54
Loss on sales and disposals of other assets, net	(38)	(25)
Limited partnership investment income (loss)	1,772	(429)
Swap fee income	348	676
Other fee income	771	466
Other income	919	1,626
Total noninterest income	17,131	12,144

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

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

	Three Months Ended March 31,	
	2021	**2020**
Noninterest expense		
Salaries and employee benefits	22,325	21,988
Occupancy and equipment, net	4,339	4,221
Data processing	2,173	2,003
Electronic banking	961	900
Communications	415	477
Advertising and marketing	680	711
Professional services	973	1,171
Regulatory assessments	1,170	615
Loan related expenses	1,705	1,142
Office and operations	1,454	1,441
Intangible asset amortization	234	299
Franchise tax expense	619	496
Other expenses	2,388	633
Total noninterest expense	39,436	36,097
Income before income tax expense	31,522	326
Income tax expense (benefit)	6,009	(427)
Net income	$ 25,513	$ 753
Basic earnings per common share	$ 1.09	$ 0.03
Diluted earnings per common share	1.08	0.03

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

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

	Three Months Ended March 31,	
	2021	**2020**
Net income	$ 25,513	$ 753
Other comprehensive income (loss)		
Securities available for sale and transferred securities:		
Net unrealized holding (loss) gain arising during the period	(15,852)	12,771
Net losses realized as a yield adjustment in interest on investment securities	(3)	(3)
Reclassification adjustment for net gain included in net income	(1,668)	(54)
Change in the net unrealized gain on investment securities, before tax	(17,523)	12,714
Income tax (benefit) expense related to net unrealized (loss) gain arising during the period	(3,680)	2,670
Change in the net unrealized gain on investment securities, net of tax	(13,843)	10,044
Cash flow hedges:		
Net unrealized gain (loss) arising during the period	431	(710)
Reclassification adjustment for loss included in net income	(49)	(8)
Change in the net unrealized gain (loss) on cash flow hedges, before tax	480	(702)
Income tax expense (benefit) related to net unrealized gain (loss) on cash flow hedges	101	(147)
Change in net unrealized position on cash flow hedges, net of tax	379	(555)
Other comprehensive (loss) income, net of tax	(13,464)	9,489
Comprehensive income	$ 12,049	$ 10,242

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

ORIGIN BANCORP, INC.
Condensed 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 Income (loss)	Total Stockholders' Equity
Balance at January 1, 2020	23,480,945	$ 117,405	$ 235,623	$ 239,901	$ 6,333	$ 599,262
Net income	—	—	—	753	—	753
Other comprehensive income, net of tax	—	—	—	—	9,489	9,489
Impact of adoption of ASU 2016-13 - CECL	—	—	—	(760)	—	(760)
Recognition of stock compensation, net	25,871	129	655	—	—	784
Dividends declared - common stock ($0.0925 per share)	—	—	—	(2,174)	—	(2,174)
Repurchase of common stock	(30,868)	(154)	(569)	—		(723)
Balance at March 31, 2020	23,475,948	$ 117,380	$ 235,709	$ 237,720	$ 15,822	$ 606,631

	Common Shares Outstanding	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (loss)	Total Stockholders' Equity
Balance at January 1, 2021	23,506,312	$ 117,532	$ 237,341	$ 266,628	$ 25,649	$ 647,150
Net income	—	—	—	25,513	—	25,513
Other comprehensive income, net of tax	—	—	—	—	(13,464)	(13,464)
Recognition of stock compensation, net	20,140	100	661	—	—	761
Dividends declared - common stock ($0.10 per share)	—	—	—	(2,349)	—	(2,349)
Repurchase of common stock	(37,568)	(188)	(1,068)	—		(1,256)
Balance at March 31, 2021	23,488,884	$ 117,444	$ 236,934	$ 289,792	$ 12,185	$ 656,355

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

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

	Three Months Ended March 31,	
Cash flows from operating activities:	**2021**	**2020**
Net income	$ 25,513	$ 753
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit losses	1,412	18,531
Depreciation and amortization	1,695	1,735
Net amortization on securities	1,748	552
Amortization of investments in tax credit funds	373	368
Net realized gain on securities sold	(1,668)	(54)
Deferred income tax (benefit) expense	(991)	(4,122)
Stock-based compensation expense	614	537
Originations of mortgage loans held for sale	(137,644)	(97,987)
Proceeds from mortgage loans held for sale	184,283	87,528
Gain on mortgage loans held for sale, including origination of servicing rights	(6,940)	(1,873)
Mortgage servicing rights valuation adjustment	(1,949)	5,228
Net loss on disposals of premises and equipment	—	1
Increase in the cash surrender value of life insurance	(204)	(554)
Net losses on sales and write downs of other real estate owned	38	24
Other operating activities, net	4,786	(2,939)
Net cash provided by operating activities	71,066	7,728
Cash flows from investing activities:		
Purchases of securities available for sale	(71,717)	(131,064)
Maturities, paydowns and calls of securities available for sale	38,028	26,440
Proceeds from sales of securities available for sale	40,493	22,375
Maturities, paydowns and calls of securities held to maturity	142	138
Net sales (purchases) of non-marketable equity securities held in other financial institutions	15,353	(12,306)
Originations of mortgage warehouse loans	(5,050,426)	(1,259,966)
Proceeds from pay-offs of mortgage warehouse loans	5,044,082	1,097,367
Net increase in loans, excluding mortgage warehouse and loans held for sale	(124,129)	(174,836)
Bank-owned life insurance payout	—	1,641
Capital calls on limited partnership investments	(225)	(150)
Purchase of low income housing tax credit investments	(300)	—
Purchases of premises and equipment	(813)	(1,173)
Proceeds from sales of premises and equipment	51	—
Proceeds from sales of other real estate owned	269	20
Net cash used in investing activities	(109,192)	(431,514)

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

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

	Three Months Ended March 31,	
Cash flows from financing activities:	**2021**	**2020**
Net increase in deposits	594,879	327,634
Repayments on long-term FHLB advances	(13,529)	(211)
Proceeds from short-term FHLB advances	6,053,425	400,000
Repayments on short-term FHLB advances	(6,703,425)	(100,000)
Issuance of subordinated debentures, net	—	68,847
Net decrease in securities sold under agreements to repurchase	(2,087)	(1,184)
Dividends paid	(2,341)	(2,164)
Cash received from exercise of stock options	147	248
Common stock repurchased	(1,256)	(723)
Net cash (used in) provided by financing activities	(74,187)	692,447
Net (decrease) increase in cash and cash equivalents	(112,313)	268,661
Cash and cash equivalents at beginning of period	377,214	291,518
Cash and cash equivalents at end of period	$ 264,901	$ 560,179
Interest paid	$ 6,999	$ 11,965
Income taxes paid	4,040	—
Significant non-cash transactions:		
Unsettled liability for investment purchases recorded at trade date	1,376	8,760
Real estate acquired in settlement of loans	2,575	588

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

Note 1 - Significant Accounting Policies

Nature of Operations. Origin Bancorp, Inc. ("Company") is a financial holding company headquartered in Ruston, Louisiana. The Company's wholly owned bank subsidiary, Origin Bank ("Bank"), provides a broad range of financial services to businesses, municipalities, high net worth individuals and retail clients. The Company currently operates 44 banking centers located in Dallas/Fort Worth and Houston, Texas, North Louisiana and in Mississippi. 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 Davison Insurance Agency, LLC ("Davison Insurance"), doing business as Thomas & Farr Agency, and Reeves, Coon and Funderburg ("RCF"). 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, 2020, but in the opinion of management, reflect all adjustments 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. generally accepted accounting principles ("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 footnotes 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, 2020, included in the Company's annual report on Form 10-K ("2020 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. Certain prior period amounts have been reclassified to conform to the current year financial statement presentations. These reclassifications did not impact previously reported net income or comprehensive income.

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 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.

Effect of Recently Adopted Accounting Standards

ASU No. 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes. ASU 2019-12 simplifies the accounting for income taxes by eliminating some exceptions to the general approach in Accounting Standards Codification (ASC) 740, Income Taxes. It also clarifies certain aspects of the existing guidance to promote more consistent application, among other things. The amendments were implemented effective January 1, 2021. Implementation of this ASU did not materially impact the consolidated financial statements or disclosures.

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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 stock options and restricted stock awards. 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 March 31,	
Numerator:	**2021**	**2020**
Net income (basic and diluted)	$ 25,513	$ 753
Denominator:		
Weighted average common shares outstanding	23,393,356	23,353,601
Dilutive effect of stock-based awards	197,074	176,611
Weighted average diluted common shares outstanding	23,590,430	23,530,212
Basic earnings per common share	$ 1.09	$ 0.03
Diluted earnings per common share	1.08	0.03

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) March 31, 2021	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Allowance for Credit Losses	Net Carrying Amount
Available for sale:						
State and municipal securities	$ 401,450	$ 13,364	$ (5,641)	$ 409,173	$ —	$ 409,173
Corporate bonds	68,293	2,056	(386)	69,963	—	69,963
U.S. government and agency securities	5,811	3	(177)	5,637	—	5,637
Commercial mortgage-backed securities	9,088	232	(357)	8,963	—	8,963
Residential mortgage-backed securities	200,265	5,738	(943)	205,060	—	205,060
Residential collateralized mortgage obligations	193,730	1,491	(1,415)	193,806	—	193,806
Asset-backed securities	85,938	1,593	(1)	87,530	—	87,530
Total	$ 964,575	$ 24,477	$ (8,920)	$ 980,132	$ —	$ 980,132
Held to maturity:						
State and municipal securities	$ 38,049	$ 2,751	$ —	$ 40,800	$ (66)	$ 37,983
Securities carried at fair value through income:						
State and municipal securities(1)	$ 10,618	$ —	$ —	$ 11,077	$ —	$ 11,077
December 31, 2020						
Available for sale:						
State and municipal securities	$ 420,559	$ 21,884	$ (258)	$ 442,185	$ —	$ 442,185
Corporate bonds	64,313	1,762	(137)	65,938	—	65,938
U.S. government and agency securities	851	3	(5)	849	—	849
Commercial mortgage-backed securities	10,814	266	—	11,080	—	11,080
Residential mortgage-backed securities	207,742	7,441	(232)	214,951	—	214,951
Residential collateralized mortgage obligations	193,865	1,739	(261)	195,343	—	195,343
Asset-backed securities	73,451	877	—	74,328	—	74,328
Total	$ 971,595	$ 33,972	$ (893)	$ 1,004,674	$ —	$ 1,004,674
Held to maturity:						
State and municipal securities	$ 38,194	$ 3,011	$ —	$ 41,205	$ (66)	$ 38,128
Securities carried at fair value through income:						
State and municipal securities(1)	$ 10,618	$ —	$ —	$ 11,554	$ —	$ 11,554

(1) Securities carried at fair value through income have no unrealized gains or losses at the balance sheet date 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 March 31, 2021, and December 31, 2020, 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	
March 31, 2021	**Fair Value**	**Unrealized Loss**	**Fair Value**	**Unrealized Loss**	**Fair Value**	**Unrealized Loss**
Available for sale:						
State and municipal securities	$ 147,815	$ (5,601)	$ 1,520	$ (40)	$ 149,335	$ (5,641)
Corporate bonds	24,249	(386)	—	—	24,249	(386)
U.S. government and agency securities	4,851	(173)	523	(4)	5,374	(177)
Commercial mortgage-backed securities	6,475	(357)	—	—	6,475	(357)
Residential mortgage-backed securities	54,673	(943)	—	—	54,673	(943)
Residential collateralized mortgage obligations	90,832	(1,415)	—	—	90,832	(1,415)
Asset-backed securities	6,868	(1)	—	—	6,868	(1)
Total	$ 335,763	$ (8,876)	$ 2,043	$ (44)	$ 337,806	$ (8,920)
Held to maturity:						
State and municipal securities	$ —	$ —	$ —	$ —	$ —	$ —
December 31, 2020						
Available for sale:						
State and municipal securities	$ 21,979	$ (258)	$ —	$ —	$ 21,979	$ (258)
Corporate bonds	30,513	(137)	—	—	30,513	(137)
U.S. government and agency securities	—	—	568	(5)	568	(5)
Residential mortgage-backed securities	23,178	(232)	—	—	23,178	(232)
Residential collateralized mortgage obligations	43,911	(261)	—	—	43,911	(261)
Total	$ 119,581	$ (888)	$ 568	$ (5)	$ 120,149	$ (893)
Held to maturity:						
State and municipal securities	$ —	$ —	$ —	$ —	$ —	$ —

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 cost, (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.

At March 31, 2021, the Company had 134 available for sale debt securities in an unrealized loss position without an allowance for credit losses. Management does not have the intent to sell any of these securities 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 March 31, 2021, 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, and therefore no losses have been recognized in the Company's consolidated statements of income.

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The following table presents the activity in the allowance for credit losses for held-to-maturity debt securities.

(Dollars in thousands)	Municipal Securities
Allowance for credit losses:	
Balance at January 1, 2021	$ 66
Credit loss expense	—
Balance at March 31, 2021	$ 66
Balance at January 1, 2020	$ —
Impact of adopting ASC 326	96
Credit loss expense	—
Balance at March 31, 2020	$ 96

Accrued interest of $5.6 million and $2.7 million was not included in the calculation of the allowance at March 31, 2021, or March 31, 2020, respectively. There were no past due held-to-maturity securities or held-to-maturity securities in nonaccrual status at March 31, 2021, or December 31, 2020.

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

	Three Months Ended March 31,	
(Dollars in thousands)	2021	2020
Proceeds from sales	$ 40,493	$ 22,375
Gross realized gains	1,700	103
Gross realized losses	(32)	(49)

The following table presents the amortized cost and fair value of securities available for sale and held to maturity at March 31, 2021, 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	
March 31, 2021	**Amortized Cost**	**Fair Value**	**Amortized Cost**	**Fair Value**
Due in one year or less	$ 12,857	$ 12,862	$ 4,725	$ 4,772
Due after one year through five years	—	—	52,044	56,192
Due after five years through ten years	25,192	27,938	111,175	113,565
Due after ten years	—	—	307,610	310,244
Commercial mortgage-backed securities	—	—	9,088	8,963
Residential mortgage-backed securities	—	—	200,265	205,060
Residential collateralized mortgage obligations	—	—	193,730	193,806
Asset-backed securities	—	—	85,938	87,530
Total	$ 38,049	$ 40,800	$ 964,575	$ 980,132

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

(Dollars in thousands)	March 31, 2021	December 31, 2020
Carrying value of securities pledged to secure public deposits	$ 232,179	$ 289,537
Carrying value of securities pledged to repurchase agreements	9,949	10,982

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Note 4 - Loans

Loans consist of the following:

(Dollars in thousands)	March 31, 2021	December 31, 2020
Loans held for sale	$ 144,950	$ 191,512
LHFI:		
Loans secured by real estate:		
Commercial real estate	$ 1,441,071	$ 1,370,928
Construction/land/land development	548,236	531,860
Residential real estate	904,753	885,120
Total real estate	2,894,060	2,787,908
Commercial and industrial[(1)]	1,834,498	1,817,862
Mortgage warehouse lines of credit	1,090,347	1,084,001
Consumer	17,277	17,991
Total loans accounted for at amortized cost	5,836,182	5,707,762
Loans accounted for at fair value	13,578	17,011
Total LHFI[(2)]	5,849,760	5,724,773
Less: Allowance for loan losses	85,136	86,670
LHFI, net	$ 5,764,624	$ 5,638,103

(1) Includes $584.1 million and $546.5 million of PPP loans at March 31, 2021 and December 31, 2020, respectively.
(2) Includes net deferred loan fees of $15.9 million and $13.7 million at March 31, 2021, and December 31, 2020, respectively.

Included in total loans held for investment ("LHFI") were $13.6 million and $17.0 million of commercial real estate loans for which the fair value option was elected at March 31, 2021 and December 31, 2020, respectively. The Company mitigates the interest rate component of fair value risk on loans at fair value by entering into derivative interest rate contracts. See *Note 5 - Fair Value of Financial Instruments* for more information on loans for which the fair value option has been elected.

The Company has been a participating lender in the Paycheck Protection Program ("PPP"). At March 31, 2021, there were approximately $584.1 million in PPP loans outstanding included in the Company’s commercial and industrial loan portfolio, including $11.5 million in net deferred loan fees. PPP loans have a maximum maturity of two years and earn interest at 1%. PPP loans are fully guaranteed by the U.S. government and can be forgiven by the SBA if the borrower uses the proceeds to pay specified expenses. The Company believes that the majority of its PPP loans will ultimately be forgiven by the SBA in accordance with the terms of the program.

Credit quality indicators. As part of the Company's commitment to manage the credit quality of its loan portfolio, management annually 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 in the 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 Bank.
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 nonaccrual commercial loans over $100,000 with direct exposure, unsecured loans over 90 days past due, commercial loans classified substandard or worse over $100,000 with direct exposure, troubled debt restructurings ("TDRs"), consumer loans greater than $100,000 with a FICO score under 625, loans greater than $100,000 in which the borrower has filed bankruptcy, and all loans 180 days or more past due. 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; and
- 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.

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 March 31, 2021, excluding loans held for sale and loans accounted for at fair value. The Company had an immaterial amount of revolving loans converted to term loans at March 31, 2021.

	Term Loans Amortized Cost Basis by Origination Year							
(Dollars in thousands)	2021	2020	2019	2018	2017	Prior	Revolving Loans Amortized Cost Basis	Total
Commercial real estate:[1]								
Pass	$ 130,211	$ 394,179	$ 290,815	$ 289,673	$ 148,317	$ 124,443	$ 21,263	$ 1,398,901
Special mention	4,383	—	—	1,154	20,707	—	2,110	28,354
Classified	1,904	3,473	1,587	2,782	1,427	2,529	114	13,816
Total commercial real estate loans	$ 136,498	$ 397,652	$ 292,402	$ 293,609	$ 170,451	$ 126,972	$ 23,487	$ 1,441,071
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ 2	$ 26	$ —	$ 28
Current period gross recoveries	—	—	—	—	—	3	—	3
Current period net charge-offs (recoveries)	$ —	$ —	$ —	$ —	$ 2	$ 23	$ —	$ 25

[1] Excludes $13.6 million of commercial real estate loans at fair value, which are not included in the loss estimation methodology due to the fair value option election.

	2021	2020	2019	2018	2017	Prior	Revolving Loans Amortized Cost Basis	Total
Construction/land/land development:								
Pass	$ 40,706	$ 193,152	$ 142,872	$ 119,935	$ 12,716	$ 2,505	$ 17,490	$ 529,376
Special mention	—	—	10,242	135	1,003	—	—	11,380
Classified	306	317	1,079	716	1,508	291	3,263	7,480
Total construction/land/land development loans	$ 41,012	$ 193,469	$ 154,193	$ 120,786	$ 15,227	$ 2,796	$ 20,753	$ 548,236
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Current period gross recoveries	—	—	—	—	—	—	—	—
Current period net charge-offs (recoveries)	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Residential real estate:								
Pass	$ 53,633	$ 354,359	$ 118,406	$ 114,721	$ 101,869	$ 89,887	$ 52,920	$ 885,795
Special mention	1,447	185	—	—	801	196	—	2,629
Classified	94	1,658	2,354	2,955	2,214	6,826	228	16,329
Total residential real estate loans	$ 55,174	$ 356,202	$ 120,760	$ 117,676	$ 104,884	$ 96,909	$ 53,148	$ 904,753
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Current period gross recoveries	—	—	—	—	—	9	—	9
Current period net charge-offs (recoveries)	$ —	$ —	$ —	$ —	$ —	$ (9)	$ —	$ (9)

ORIGIN BANCORP, INC.
Condensed Notes to Consolidated Financial Statements

	Term Loans Amortized Cost Basis by Origination Year							
(Dollars in thousands)	2021	2020	2019	2018	2017	Prior	Revolving Loans Amortized Cost Basis	Total
Commercial and industrial:								
Pass	$ 254,777	$ 700,996	$ 137,792	$ 103,342	$ 22,396	$ 33,753	$ 471,812	$ 1,724,868
Special mention	217	4,631	2,275	25,902	408	14,458	4,125	52,016
Classified	4,474	1,228	11,786	5,753	4,942	10,198	19,233	57,614
Total commercial and industrial loans	$ 259,468	$ 706,855	$ 151,853	$ 134,997	$ 27,746	$ 58,409	$ 495,170	$ 1,834,498
Current period gross charge-offs	$ —	$ 4	$ 54	$ —	$ 362	$ 1,282	$ 1,253	$ 2,955
Current period gross recoveries	—	—	13	—	11	76	8	108
Current period net charge-offs (recoveries)	$ —	$ 4	$ 41	$ —	$ 351	$ 1,206	$ 1,245	$ 2,847
Mortgage Warehouse Lines of Credit:								
Pass	$ —	$ —	$ —	$ —	$ —	$ —	$ 1,090,347	$ 1,090,347
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Current period gross recoveries	—	—	—	—	—	—	—	—
Current period net charge-offs (recoveries)	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Consumer:								
Pass	$ 1,858	$ 5,477	$ 2,656	$ 1,276	$ 154	$ 148	$ 5,652	$ 17,221
Classified	—	28	9	1	—	5	13	56
Total consumer loans	$ 1,858	$ 5,505	$ 2,665	$ 1,277	$ 154	$ 153	$ 5,665	$ 17,277
Current period gross charge-offs	$ —	$ —	$ 22	$ 2	$ —	$ 6	$ 14	$ 44
Current period gross recoveries	—	—	—	—	—	13	—	13
Current period net charge-offs (recoveries)	$ —	$ —	$ 22	$ 2	$ —	$ (7)	$ 14	$ 31

The following table reflects recorded investments in loans by credit quality indicator and origination year at December 31, 2020, excluding loans held for sale and loans accounted for at fair value. The Company had an immaterial amount of revolving loans converted to term loans at December 31, 2020.

	Term Loans Amortized Cost Basis by Origination Year							
(Dollars in thousands)	2020	2019	2018	2017	2016	Prior	Revolving Loans Amortized Cost Basis	Total
Commercial real estate:[(1)]								
Pass	$ 393,317	$ 290,394	$ 312,051	$ 154,445	$ 46,132	$ 106,994	$ 18,419	$ 1,321,752
Special mention	824	113	2,410	20,691	—	1,656	2,145	27,839
Classified	2,806	1,678	6,704	6,586	1,476	1,093	994	21,337
Total commercial real estate loans	$ 396,947	$ 292,185	$ 321,165	$ 181,722	$ 47,608	$ 109,743	$ 21,558	$ 1,370,928
Current period gross charge-offs	$ —	$ —	$ —	$ 3,622	$ 199	$ 1,103	$ —	$ 4,924
Current period gross recoveries	—	—	—	—	—	19	—	19
Current period net charge-offs	$ —	$ —	$ —	$ 3,622	$ 199	$ 1,084	$ —	$ 4,905

(1) Excludes $17.0 million of commercial real estate loans at fair value, which are not included in the loss estimation methodology due to the fair value option election.

	Term Loans Amortized Cost Basis by Origination Year							
(Dollars in thousands)	2020	2019	2018	2017	2016	Prior	Revolving Loans Amortized Cost Basis	Total
Construction/land/land development:								
Pass	$ 189,311	$ 150,281	$ 138,000	$ 12,907	$ 1,812	$ 1,157	$ 18,892	$ 512,360
Special mention	323	10,421	135	1,003	—	—	—	11,882
Classified	—	1,811	726	1,507	143	168	3,263	7,618
Total construction/land/land development loans	$ 189,634	$ 162,513	$ 138,861	$ 15,417	$ 1,955	$ 1,325	$ 22,155	$ 531,860
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Current period gross recoveries	—	—	—	—	—	1	—	1
Current period net charge-offs (recoveries)	$ —	$ —	$ —	$ —	$ —	$ (1)	$ —	$ (1)
Residential real estate:								
Pass	$ 367,652	$ 143,368	$ 103,450	$ 102,272	$ 41,522	$ 50,094	$ 53,854	$ 862,212
Special mention	188	—	29	1,875	9,287	803	—	12,182
Classified	1,857	2,403	2,982	511	1,344	1,533	96	10,726
Total residential real estate loans	$ 369,697	$ 145,771	$ 106,461	$ 104,658	$ 52,153	$ 52,430	$ 53,950	$ 885,120
Current period gross charge-offs	$ 94	$ 271	$ —	$ 283	$ —	$ 44	$ —	$ 692
Current period gross recoveries	—	—	—	—	—	202	—	202
Current period net charge-offs (recoveries)	$ 94	$ 271	$ —	$ 283	$ —	$ (158)	$ —	$ 490
Commercial and industrial:								
Pass	$ 851,780	$ 153,722	$ 110,092	$ 29,413	$ 9,927	$ 26,964	$ 511,220	$ 1,693,118
Special mention	4,860	2,059	26,438	423	—	14,843	8,077	56,700
Classified	5,436	12,250	5,859	5,450	5,950	6,707	26,392	68,044
Total commercial and industrial loans	$ 862,076	$ 168,031	$ 142,389	$ 35,286	$ 15,877	$ 48,514	$ 545,689	$ 1,817,862
Current period gross charge-offs	$ 189	$ 204	$ 87	$ 121	$ 3,228	$ 469	$ 2,404	$ 6,702
Current period gross recoveries	—	42	20	81	185	112	582	1,022
Current period net charge-offs	$ 189	$ 162	$ 67	$ 40	$ 3,043	$ 357	$ 1,822	$ 5,680
Mortgage Warehouse Lines of Credit:								
Pass	$ —	$ —	$ —	$ —	$ —	$ —	$ 1,084,001	$ 1,084,001
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Current period gross recoveries	—	—	—	—	—	—	—	—
Current period net charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Consumer:								
Pass	$ 6,702	$ 3,318	$ 1,578	$ 203	$ 116	$ 83	$ 5,935	$ 17,935
Classified	28	8	—	—	6	1	13	56
Total consumer loans	$ 6,730	$ 3,326	$ 1,578	$ 203	$ 122	$ 84	$ 5,948	$ 17,991
Current period gross charge-offs	$ —	$ 39	$ 23	$ 8	$ —	$ 4	$ 2	$ 76
Current period gross recoveries	—	—	1	7	5	7	4	24
Current period net charge-offs (recoveries)	$ —	$ 39	$ 22	$ 1	$ (5)	$ (3)	$ (2)	$ 52

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

	March 31, 2021						
(Dollars in thousands)	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 [(1)]	$ 1,055	$ —	$ 571	$ 1,626	$ 1,453,023	$ 1,454,649	$ —
Construction/land/land development	257	253	1,832	2,342	545,894	548,236	—
Residential real estate	2,287	4,361	3,116	9,764	894,989	904,753	—
Total real estate	3,599	4,614	5,519	13,732	2,893,906	2,907,638	—
Commercial and industrial	791	165	11,825	12,781	1,821,717	1,834,498	—
Mortgage warehouse lines of credit	—	—	—	—	1,090,347	1,090,347	—
Consumer	58	1	2	61	17,216	17,277	—
Total LHFI	$ 4,448	$ 4,780	$ 17,346	$ 26,574	$ 5,823,186	$ 5,849,760	$ —

(1) Includes $13.6 million of commercial real estate loans at fair value

	December 31, 2020						
(Dollars in thousands)	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 [(1)]	$ 1,072	$ —	$ 3,172	$ 4,244	$ 1,383,695	$ 1,387,939	$ —
Construction/land/land development	369	1	2,328	2,698	529,162	531,860	—
Residential real estate	3,774	134	364	4,272	880,848	885,120	—
Total real estate	5,215	135	5,864	11,214	2,793,705	2,804,919	—
Commercial and industrial	703	1,097	12,625	14,425	1,803,437	1,817,862	—
Mortgage warehouse lines of credit	—	—	—	—	1,084,001	1,084,001	—
Consumer	113	9	2	124	17,867	17,991	—
Total LHFI	$ 6,031	$ 1,241	$ 18,491	$ 25,763	$ 5,699,010	$ 5,724,773	$ —

(1) Includes $17.0 million of commercial real estate loans at fair value

The following tables detail activity in the allowance for loan credit losses by portfolio segment. Accrued interest of $20.2 million and $12.6 million was not included in the book value for the purposes of calculating the allowance at March 31, 2021 and March 31, 2020, 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 March 31, 2021				
(Dollars in thousands)	Beginning Balance	Charge-offs	Recoveries	Provision (Benefit) [(1)]	Ending Balance
Loans secured by real estate:					
Commercial real estate	$ 15,430	$ 28	$ 3	$ 2,992	$ 18,397
Construction/land/land development	8,191	—	—	(802)	7,389
Residential real estate	9,418	—	9	(1,133)	8,294
Commercial and industrial	51,857	2,955	108	332	49,342
Mortgage warehouse lines of credit	856	—	—	67	923
Consumer	918	44	13	(96)	791
Total	$ 86,670	$ 3,027	$ 133	$ 1,360	$ 85,136

(1) The $1.4 million provision for credit losses on the consolidated statements of income includes a $1.4 million net loan loss provision, and a $52,000 provision for off-balance sheet commitments for the three months ended March 31, 2021.

	Three Months Ended March 31, 2020					
(Dollars in thousands)	Beginning Balance	Impact of Adopting ASC 326	Charge-offs	Recoveries	Provision [(1)]	Ending Balance
Loans secured by real estate:						
Commercial real estate	$ 10,013	$ (5,052)	$ 172	$ 2	$ 4,463	$ 9,254
Construction/land/land development	3,711	1,141	—	—	202	5,054
Residential real estate	6,332	(2,526)	49	149	589	4,495
Commercial and industrial	16,960	7,296	1,180	169	12,578	35,823
Mortgage warehouse lines of credit	262	29	—	—	488	779
Consumer	242	360	24	4	76	658
Total	$ 37,520	$ 1,248	$ 1,425	$ 324	$ 18,396	$ 56,063

(1) The $18.5 million provision for credit losses on the consolidated statements of income includes a $18.4 million net loan loss provision and a $135,000 provision for off-balance sheet commitments for the three months ended March 31, 2020.

The decrease in provision expense compared to the quarter ended March 31, 2020, was primarily due to improvement in forecasted economic conditions during the quarter ended March 31, 2021, as compared to forecasted worsening economic conditions during the quarter ended March 31, 2020. The Company's credit quality profile in relation to the allowance for loan credit losses drove a decline of $1.6 million in the collective reserve during the three months ended March 31, 2021, of which a $1.1 million decrease was related to qualitative factor changes across the Company’s risk pools for the three months ended March 31, 2021. Six commercial and industrial loans, reflecting four loan relationships, were written down during the quarter ended March 31, 2021, totaling $2.8 million.

The provision for loan credit losses for the first quarter of 2020 was driven by a significant increase in uncertainty related to the economic impact of the current COVID-19 pandemic. Based upon the requirement of CECL, economic forecasts are essential for estimating the life of loan losses. The increased risk, as reflected in current and forecast adjustments, resulted in approximately $11.2 million in provision expense across the Company’s risk pools. An additional $6.0 million in provision expense was due to the current and forecast effects of individually evaluated loans. The provision for commercial real estate loans includes approximately $3.0 million in increased credit allowances related to individually evaluated loans. The provision for commercial and industrial loans includes $5.4 million related to current and forecast factors as well as approximately $3.0 million related to individually evaluated loans. The only significant charge-off in commercial and industrial loans during the first quarter of 2020 was for $732,000 on an operating loan secured by equipment.

The following tables show the recorded investment in loans by loss estimation methodology at March 31, 2021, and December 31, 2020.

	March 31, 2021			
	Collectively Evaluated	Individually Evaluated		
(Dollars in thousands)	Probability of Default	Fair Value of Collateral	Discounted Cash Flow	Total
Loans secured by real estate:				
Commercial real estate[1]	$ 1,438,054	$ 571	$ 2,446	$ 1,441,071
Construction/land/land development	545,796	2,112	328	548,236
Residential real estate	894,416	8,482	1,855	904,753
Commercial and industrial	1,814,453	9,388	10,657	1,834,498
Mortgage warehouse lines of credit	1,090,347	—	—	1,090,347
Consumer	17,275	2	—	17,277
Total	$ 5,800,341	$ 20,555	$ 15,286	$ 5,836,182

(1) Excludes $13.6 million of commercial real estate loans at fair value, which are not included in the loss estimation methodology due to the fair value option election.

	December 31, 2020			
	Collectively Evaluated	Individually Evaluated		
(Dollars in thousands)	Probability of Default	Fair Value of Collateral	Discounted Cash Flow	Total
Loans secured by real estate:				
Commercial real estate[1]	$ 1,365,284	$ 3,173	$ 2,471	$ 1,370,928
Construction/land/land development	528,894	2,621	345	531,860
Residential real estate	879,015	2,009	4,096	885,120
Commercial and industrial	1,804,049	3,152	10,661	1,817,862
Mortgage warehouse lines of credit	1,084,001	—	—	1,084,001
Consumer	17,991	—	—	17,991
Total	$ 5,679,234	$ 10,955	$ 17,573	$ 5,707,762

(1) Excludes $17.0 million of commercial real estate loans at fair value, which are not included in the loss estimation methodology due to the fair value option election.

The following tables show the allowance for loan credit losses by loss estimation methodology at March 31, 2021, and December 31, 2020.

	March 31, 2021			
	Collectively Evaluated	Individually Evaluated		
(Dollars in thousands)	Probability of Default	Fair Value of Collateral	Discounted Cash Flow	Total
Loans secured by real estate:				
Commercial real estate	$ 18,388	$ —	$ 9	$ 18,397
Construction/land/land development	7,258	131	—	7,389
Residential real estate	7,992	—	302	8,294
Commercial and industrial	41,488	3,201	4,653	49,342
Mortgage warehouse lines of credit	923	—	—	923
Consumer	789	2	—	791
Total	$ 76,838	$ 3,334	$ 4,964	$ 85,136

	December 31, 2020			
	Collectively Evaluated	Individually Evaluated		
(Dollars in thousands)	Probability of Default	Fair Value of Collateral	Discounted Cash Flow	Total
Loans secured by real estate:				
Commercial real estate	$ 14,896	$ 525	$ 9	$ 15,430
Construction/land/land development	8,062	128	1	8,191
Residential real estate	8,983	—	435	9,418
Commercial and industrial	44,714	1,707	5,436	51,857
Mortgage warehouse lines of credit	856	—	—	856
Consumer	918	—	—	918
Total	$ 78,429	$ 2,360	$ 5,881	$ 86,670

Note that the Company is not using the collateral maintenance agreement practical expedient. All fair value of collateral is real estate related.

Collateral-dependent loans consist primarily of 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. Loan balances are charged down to the underlying collateral value when they are deemed uncollectible.

Nonaccrual LHFI were as follows:

(Dollars in thousands)	Nonaccrual With No Allowance for Credit Loss		Nonaccrual	
Loans secured by real estate:	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Commercial real estate	$ 1,012	$ 1,053	$ 1,085	$ 3,704
Construction/land/land development	955	1,319	2,431	2,962
Residential real estate	8,901	2,436	10,692	6,530
Total real estate	10,868	4,808	14,208	13,196
Commercial and industrial	76	82	19,094	12,897
Consumer	—	—	56	56
Total nonaccrual loans	$ 10,944	$ 4,890	$ 33,358	$ 26,149

All interest accrued but not received for loans placed on nonaccrual status is reversed against 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. At March 31, 2021, the Company had no funding commitments for which the terms have been modified in TDRs.

For the three months ended March 31, 2021 and 2020, gross interest income that would have been recorded had the nonaccruing loans been current in accordance with their original terms was $341,000 and $354,000, respectively. No interest income was recorded on these loans while they were considered nonaccrual during the three months ended March 31, 2021 and 2020.

The Company elects the fair value option for recording residential mortgage loans held for sale, as well as certain commercial real estate loans in accordance with U.S. GAAP. The Company had $963,000 of nonaccrual mortgage loans held for sale that were recorded using the fair value option election at March 31, 2021, compared to $681,000 at December 31, 2020. There were no nonaccrual LHFI that were recorded using the fair value option election at March 31, 2021, or December 31, 2020.

Certain borrowers are currently unable to meet their contractual payment obligations because of the adverse effects of COVID-19. To help mitigate these effects, loan customers may apply for a deferral of payments, or portions thereof, for up to 90 days. The CARES Act and related guidance from the federal banking agencies provide financial institutions the option to temporarily suspend requirements under GAAP related to classification of certain loan modifications as TDRs to account for the current and anticipated effects of COVID-19. The CARES Act, as amended by the Consolidated Appropriations Act, 2021, specified that COVID-19 related loan modifications executed between March 1, 2020 and the earlier of (i) 60 days after the date of termination of the national emergency declared by the President and (ii) January 1, 2022, on loans that were current as of December 31, 2019 are not TDRs. Additionally, under guidance from the federal banking agencies, other short-term modifications made on a good faith basis in response to COVID-19 to borrowers that were current prior to any relief are not TDRs under ASC Subtopic 310-40, “Troubled Debt Restructuring by Creditors.” These modifications include short-term (e.g., up to six months) modifications such as payment deferrals, fee waivers, extensions of repayment terms, or delays in payment that are insignificant. At March 31, 2021, the Company had 24 loans totaling $5.3 million under COVID-19 related forbearance agreements that were not treated as TDRs pursuant to the CARES Act and interagency guidance compared to 49 loans totaling $97.7 million at December 31, 2020.

Loans classified as TDRs, excluding the impact of forbearances granted due to COVID-19, were as follows:

(Dollars in thousands)	March 31, 2021	December 31, 2020
TDRs		
Nonaccrual TDRs	$ 5,515	$ 5,671
Performing TDRs	3,237	3,314
Total	$ 8,752	$ 8,985

There were no loans classified as TDR's during the three months ended March 31, 2021. The tables below summarize loans classified as TDR's by loan and concession type during the three months ended March 31, 2020.

	Three Months Ended March 31, 2020					
(Dollars in thousands)	Number of Loans Restructured	Pre-Modification Recorded Balance	Term Concessions	Interest Rate Concessions	Combination of Term and Rate Concessions	Total Modifications
Commercial and industrial	2	$ 128	$ 127	$ —	$ —	$ 127
Total	2	$ 128	$ 127	$ —	$ —	$ 127

During the three months ended March 31, 2021, no loans defaulted after having been modified as a TDR within the previous 12 months. During the three months ended March 31, 2020, two loans with a combined outstanding principal balance of $2.3 million defaulted after having been modified as a TDR within the previous 12 months. A payment default is defined as a loan that was 90 or more days past due. The modifications made during the three months ended March 31, 2020, did not significantly impact the Company's determination of the allowance for loan credit losses. The Company monitors the performance of the modified loans to their restructured terms on an ongoing basis. In the event of a subsequent default, the allowance for loan credit losses continues to be reassessed on the basis of an individual evaluation of each loan.

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 non-recurring 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.

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 March 31, 2021, and December 31, 2020, 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 2021 or 2020.

	March 31, 2021			
(Dollars in thousands)	Level 1	Level 2	Level 3	Total
State and municipal securities	$ —	$ 367,698	$ 41,475	$ 409,173
Corporate bonds	—	69,963	—	69,963
U.S. government agency securities	—	5,637	—	5,637
Commercial mortgage-backed securities	—	8,963	—	8,963
Residential mortgage-backed securities	—	205,060	—	205,060
Residential collateralized mortgage obligations	—	193,806	—	193,806
Asset-backed securities	—	87,530	—	87,530
Securities available for sale	—	938,657	41,475	980,132
Securities carried at fair value through income	—	—	11,077	11,077
Loans held for sale	—	82,706	—	82,706
Loans at fair value	—	—	13,578	13,578
Mortgage servicing rights	—	—	17,552	17,552
Other assets - derivatives	—	17,677	—	17,677
Total recurring fair value measurements - assets	$ —	$ 1,039,040	$ 83,682	$ 1,122,722
Other liabilities - derivatives	$ —	$ (15,432)	$ —	$ (15,432)
Total recurring fair value measurements - liabilities	$ —	$ (15,432)	$ —	$ (15,432)

(Dollars in thousands)	December 31, 2020 Level 1	Level 2	Level 3	Total
State and municipal securities	$ —	$ 398,120	$ 44,065	$ 442,185
Corporate bonds	—	65,938	—	65,938
U.S. government agency securities	—	849	—	849
Commercial mortgage-backed securities	—	11,080	—	11,080
Residential mortgage-backed securities	—	214,951	—	214,951
Residential collateralized mortgage obligations	—	195,343	—	195,343
Asset-backed securities	—	74,328	—	74,328
Securities available for sale	—	960,609	44,065	1,004,674
Securities carried at fair value through income	—	—	11,554	11,554
Loans held for sale	—	136,026	—	136,026
Loans at fair value	—	—	17,011	17,011
Mortgage servicing rights	—	—	13,660	13,660
Other assets - derivatives	—	23,694	—	23,694
Total recurring fair value measurements - assets	$ —	$ 1,120,329	$ 86,290	$ 1,206,619
Other liabilities - derivatives	$ —	$ (23,020)	$ —	$ (23,020)
Total recurring fair value measurements - liabilities	$ —	$ (23,020)	$ —	$ (23,020)

The changes in Level 3 assets and liabilities measured at fair value on a recurring basis for the three months ended March 31, 2021 and 2020, are summarized as follows:

(Dollars in thousands)	Loans at Fair Value	MSRs	Securities Available for Sale	Securities at Fair Value Through Income
Balance at January 1, 2021	$ 17,011	$ 13,660	$ 44,065	$ 11,554
Gain (loss) recognized in earnings:				
Mortgage banking revenue[(1)]	—	1,949	—	—
Other noninterest income	(59)	—	—	(477)
Loss recognized in AOCI	—	—	(489)	—
Purchases, issuances, sales and settlements:				
Originations	—	1,943	—	—
Settlements	(3,374)	—	(2,101)	—
Balance at March 31, 2021	$ 13,578	$ 17,552	$ 41,475	$ 11,077
Balance at January 1, 2020	$ 17,670	$ 20,697	$ 38,173	$ 11,513
Gain (loss) recognized in earnings:				
Mortgage banking revenue[(1)]	—	(5,228)	—	—
Other noninterest income	166	—	—	729
Gain recognized in AOCI	—	—	160	—
Purchases, issuances, sales and settlements:				
Originations	—	653	—	—
Sales	—	—	(1,908)	—
Settlements	(247)	—	—	—
Balance at March 31, 2020	$ 17,589	$ 16,122	$ 36,425	$ 12,242

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

The Company obtains fair value measurements for loans at fair value, 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 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 Accounting Standards Codification ("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.

Mortgage Servicing Rights ("MSRs")

The carrying amounts of the MSRs equal fair value and are valued using a discounted cash flow valuation technique. The significant assumptions used to value MSRs were as follows:

	March 31, 2021		December 31, 2020	
	Range	**Weighted Average[(1)]**	**Range**	**Weighted Average[(1)]**
Prepayment speeds	7.78% - 35.56%	14.47 %	11.82% - 37.95%	22.08 %
Discount rates	9.00 - 10.50	9.50	7.83 - 9.09	8.27

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

In recent years, there have been significant market-driven fluctuations in the assumptions listed above. Loans with higher average coupon rates have a greater likelihood of prepayment during the current interest rate environment, while loans with lower average coupon rates have a lower likelihood of prepayment. The increase in rates since the year ended December 31, 2020, has caused an decrease in our weighted average prepayment speed and an increase in our discount rate assumptions used in the MSR valuation. These fluctuations can be rapid and may continue to be significant. Therefore, 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 are based upon the amounts that would be required to settle the contracts. Fair values for derivative loan commitments and forward loan sale commitments are based on fair values of the underlying mortgage loans and the probability of such commitments being exercised. Significant management judgment and estimation is required in determining these fair value measurements.

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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 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, loan origination costs and fees on fair value option loans are recognized in earnings as incurred and not deferred. At March 31, 2021, and December 31, 2020, 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:

	March 31, 2021		
(Dollars in thousands)	**Aggregate Fair Value**	**Aggregate Unpaid Principal Balance**	**Difference**
Loans held for sale[1]	$ 82,706	$ 80,761	$ 1,945
Commercial real estate LHFI[2]	13,578	13,386	192
Securities carried at fair value through income	11,077	10,618	459
Total	$ 107,361	$ 104,765	$ 2,596

(1) $963,000 of loans held for sale were designated as nonaccrual or 90 days or more past due at March 31, 2021. Of this balance, $826,000 was guaranteed by U.S. Government agencies.
(2) There were no commercial real estate loans for which the fair value had been elected that were designated as nonaccrual or 90 days or more past due at March 31, 2021.

	December 31, 2020		
(Dollars in thousands)	**Aggregate Fair Value**	**Aggregate Unpaid Principal Balance**	**Difference**
Loans held for sale[1]	$ 136,026	$ 129,955	$ 6,071
Commercial real estate LHFI[2]	17,011	16,760	251
Securities carried at fair value through income	11,554	10,618	936
Total	$ 164,591	$ 157,333	$ 7,258

(1) $681,000 of loans held for sale were designated as nonaccrual or 90 days or more past due at December 31, 2020. Of this balance, $473,000 was guaranteed by U.S. Government agencies.
(2) There were no commercial real estate loans for which the fair value had been elected that were designated as nonaccrual or 90 days or more past due at December 31, 2020.

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

(Dollars in thousands)	Three Months Ended March 31,	
Changes in fair value included in noninterest income:	**2021**	**2020**
Mortgage banking revenue	$ (4,125)	$ 1,046
Other income:		
Loans at fair value held for investment	(59)	166
Securities carried at fair value through income	(477)	729
Total impact on other income	(536)	895
Total fair value option impact on noninterest income [1]	$ (4,661)	$ 1,941

(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 credit worthiness of each issuer. Credit spreads ranged from 83 to 227 basis points at both March 31, 2021, and December 31, 2020. 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.

LHFI

For LHFI for which the fair value option has been elected, fair values are calculated using a discounted cash flow model with inputs including observable interest rate curves and unobservable credit adjustment spreads based on credit risk inherent in the loan. Credit spreads ranged from 290 to 353 basis points at March 31, 2021, and 290 to 413 basis points at December 31, 2020. The Company believes the fair value approximates an exit price.

Fair Value of Assets Recorded on a Nonrecurring Basis

Equity Securities without Readily Determinable Fair Values

Equity securities without readily determinable fair values totaled $47.3 million and $62.6 million, at March 31, 2021, and December 31, 2020, respectively, and are shown on the face of the consolidated balance sheets. The majority of the Company's equity investments qualify for the practical expedient allowed for equity securities without a readily determinable fair value, such that the Company has elected to carry these securities at cost adjusted for any observable transactions during the period, less any impairment. To date, no impairment has been recorded on the Company's investments in equity securities that do not have readily determinable fair values.

Government National Mortgage Association Repurchase Asset

The Company recorded $62.2 million and $55.5 million, respectively, at March 31, 2021, and December 31, 2020, for Government National Mortgage Association ("GNMA") repurchase assets included in mortgage loans held for sale on the consolidated balance sheets. The assets are valued at the lower of cost or market and, where market is lower than cost, valued 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. Please see *Note 6 - Mortgage Banking* for more information on the GNMA repurchase asset.

Collateral Dependent 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 includes estimating the fair value using the fair value of the collateral for collateral-dependent loans. If the loan is identified as collateral-dependent, the fair value method of measuring the amount of credit loss is utilized. This method requires obtaining a current independent appraisal of the collateral and applying a discount factor to the value. Loans that have experienced a credit loss that are collateral-dependent are classified within Level 3 of the fair value hierarchy when the credit loss is determined using the fair value method. The fair value of loans that have experienced a credit loss with specific allocated losses was approximately $15.4 million and $12.3 million at March 31, 2021, and December 31, 2020, respectively.

Non-Financial Assets

Foreclosed assets held for sale are the only non-financial assets valued on a non-recurring 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 allowance for loan credit losses. 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 is estimated using Level 3 inputs based on observable market data and was $3.9 million and $1.6 million at March 31, 2021, and December 31, 2020, respectively. At March 31, 2021, the Company had no residential mortgage loans in the process of foreclosure.

Fair Values of Financial Instruments Not Recorded at Fair Value

Loans

The estimated fair value approximates carrying value for variable-rate loans that reprice frequently and with no significant change in credit risk. The fair value of fixed-rate loans and variable-rate loans which reprice on an infrequent basis is estimated by discounting future cash flows using exit level pricing, which combines the current interest rates at which similar loans with similar terms would be made to borrowers of similar credit quality and an estimated additional rate to reflect a liquidity premium. An overall valuation adjustment is made for specific credit risks as well as general portfolio credit risk.

Deposits

The estimated fair value approximates carrying value for demand deposits. The fair value of fixed-rate deposit liabilities with defined maturities is estimated by discounting future cash flows using the interest rates currently available for funding from the FHLB. The estimated fair value of deposits does not take into account the value of our long-term relationships with depositors, commonly known as core deposit intangibles, which are separate intangible assets, and not considered financial instruments. Nonetheless, the Company would likely realize a core deposit premium if the deposit portfolio were sold in the principal market for such deposits.

Borrowed Funds

The estimated fair value approximates carrying value for short-term borrowings. The fair value of long-term fixed-rate and fixed-to-floating-rate borrowings is estimated using quoted market prices, if available, or by discounting future cash flows using current interest rates for similar financial instruments. The estimated fair value approximates carrying value for variable-rate junior subordinated debentures that reprice quarterly.

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

(Dollars in thousands)

Financial assets:	March 31, 2021		December 31, 2020	
Level 1 inputs:	**Carrying Value**	**Estimated Fair Value**	**Carrying Value**	**Estimated Fair Value**
Cash and cash equivalents	$ 264,901	$ 264,901	$ 377,214	$ 377,214
Level 2 inputs:				
Non-marketable equity securities held in other financial institutions	47,274	47,274	62,586	62,586
Accrued interest and loan fees receivable	27,450	27,450	27,146	27,146
Level 3 inputs:				
Securities held to maturity	37,983	40,800	38,128	41,205
LHFI, net[1]	5,751,046	5,729,954	5,621,092	5,802,744
Financial liabilities:				
Level 2 inputs:				
Deposits	6,346,194	6,349,699	5,751,315	5,756,312
FHLB advances and other borrowings	325,751	312,306	984,608	991,943
Subordinated debentures	157,239	156,451	157,181	156,395
Accrued interest payable	3,445	3,445	3,556	3,556

(1) Does not include loans for which the fair value option had been elected at March 31, 2021, or December 31, 2020, as these loans are carried at fair value on a recurring basis.

Note 6 - Mortgage Banking

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

(Dollars in thousands)	Three Months Ended March 31,	
Mortgage banking revenue	**2021**	**2020**
Origination	$ 376	$ 275
Gain on sale of loans held for sale	6,940	1,873
Servicing	1,501	1,601
Total gross mortgage revenue	8,817	3,749
Mortgage HFS and pipeline fair value adjustment	(3,158)	1,266
MSR valuation adjustment, net of amortization	1,949	(5,228)
MSR hedge impact	(3,031)	2,982
Mortgage banking revenue	$ 4,577	$ 2,769

Management uses mortgage-backed securities 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:

	Three Months Ended March 31,	
(Dollars in thousands)	**2021**	**2020**
Balance at beginning of period	$ 13,660	$ 20,697
Addition of servicing rights	1,943	653
Valuation adjustment, net of amortization	1,949	(5,228)
Balance at end of period	$ 17,552	$ 16,122

The Company receives annual servicing fee income approximating 0.28% 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 in its loan servicing portfolio 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 servicing 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.

The Company incurred $28,000 in mortgage loan servicing putback reserve expense for the three months ended March 31, 2021. At March 31, 2021, and December 31, 2020, the reserve for mortgage loan servicing putback expenses totaled $339,000 and $311,000, respectively. There is inherent uncertainty in reasonably estimating the requirement for reserves against future mortgage loan servicing 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.

GNMA optional repurchase programs allow financial institutions to buy back individual delinquent mortgage loans that meet certain criteria from the securitized loan pool for which the institution provides servicing. At the servicer's option and without GNMA's prior authorization, the servicer may repurchase a delinquent loan for an amount equal to 100% of the remaining principal balance of the loan. This buy-back option is considered a conditional option until the delinquency criteria are met, at which time the option becomes unconditional. When a financial institution is deemed to have regained effective control over these loans under the unconditional buy-back option, the loans can no longer be reported as sold and must be included in the balance sheet as mortgage loans held for sale, regardless of whether the institution intends to exercise the buy-back option. These loans totaled $62.2 million and $55.5 million at March 31, 2021, and December 31, 2020, respectively, and were recorded as mortgage loans held for sale, at the lower of cost or fair value with a corresponding liability in FHLB advances and other borrowings on the Company's consolidated balance sheets.

Note 7 - Borrowings

Borrowed funds are summarized as follows:

(Dollars in thousands)	March 31, 2021	December 31, 2020
Overnight repurchase agreements with depositors	$ 6,321	$ 8,408
Short-term FHLB advances	—	650,000
GNMA repurchase liability	62,244	55,485
Long-term FHLB advances	257,186	270,715
Total FHLB advances and other borrowings	$ 325,751	$ 984,608
Subordinated debentures, net	$ 157,239	$ 157,181

Additional details of certain FHLB advances are as follows:

(Dollars in thousands)	Amount	Interest Rate	Maturity Date
At March 31, 2021:			
Long-term FHLB advance, callable quarterly, fixed rate	$ 250,000	1.65 %	8/23/2033
At December 31, 2020:			
Short-term FHLB advance, fixed rate	650,000	0.10	1/4/2021
Long-term FHLB advance, callable quarterly, fixed rate	250,000	1.65	8/23/2033

Security for all indebtedness and outstanding commitments to the FHLB consists of a blanket floating lien on all of the Company's first mortgage loans, commercial real estate and other real estate loans, as well as the Company's investment in capital stock of the FHLB and deposit accounts at the FHLB. The net amounts available under the blanket floating lien at March 31, 2021 and December 31, 2020, were $1.05 billion and $456.9 million, respectively.

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 an interest rate swap agreement under which the Company receives interest at a variable rate and pays at a fixed rate. The derivative instrument represented by this swap agreement is designated as a cash flow hedge of the Company's forecasted variable cash flows under a variable-rate term borrowing agreement. During the term of the swap agreement, the effective portion of changes in the fair value of the derivative instrument are recorded in accumulated other comprehensive 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 derivative recognized directly in earnings. The entire swap fair value will be reclassified into earnings before the expiration date of the swap agreement.

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 some 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

The Company enters into certain derivative agreements as part of its mortgage banking and related risk management activities. These agreements include interest rate lock commitments on prospective residential mortgage loans and forward commitments to sell these loans to investors on a mandatory delivery basis. The Company also economically hedges the value of MSRs by entering into a series of commitments to purchase mortgage-backed securities in the future.

Fair Values of Derivative Instruments on the Balance Sheet

The following tables disclose the fair value of derivative instruments in the Company's balance sheets at March 31, 2021, and December 31, 2020, as well as the effect of these derivative instruments on the Company's consolidated statements of income for the three months ended March 31, 2021 and 2020:

(Dollars in thousands)	**Notional Amounts[(1)]**		**Fair Values**	
Derivatives designated as cash flow hedging instruments:	**March 31, 2021**	**December 31, 2020**	**March 31, 2021**	**December 31, 2020**
Interest rate swaps included in other (liabilities)	$ 21,000	$ 21,000	$ (227)	$ (706)
Derivatives not designated as hedging instruments:				
Interest rate swaps included in other assets	$ 334,916	$ 326,542	$ 13,881	$ 20,207
Interest rate swaps included in other liabilities	355,306	347,096	(14,735)	(21,321)
Risk participation derivatives included in accrued expenses and other liabilities on the consolidated balance sheets	63,374	63,374	(13)	(18)
Forward commitments to purchase mortgage-backed securities included in other (liabilities) assets	78,000	107,000	(457)	(317)
Forward commitments to sell residential mortgage loans included in other liabilities	115,000	107,200	1,704	(658)
Interest rate-lock commitments on residential mortgage loans included in other assets	80,273	79,554	2,092	3,487
	$ 1,026,869	$ 1,030,766	$ 2,472	$ 1,380

(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 at March 31, 2021, were as follows:

	Weighted-Average Interest Rate	
Interest rate swaps:	Paid	Received
Cash flow hedges	4.81 %	2.93 %
Non-hedging interest rate swaps - financial institution counterparties	4.49	2.70
Non-hedging interest rate swaps - customer counterparties	2.75	4.51

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

(Dollars in thousands)	Three Months Ended March 31,	
Derivatives not designated as hedging instruments:	**2021**	**2020**
Amount of gain (loss) recognized in mortgage banking revenue [1]	$ (1,206)	$ 2,513
Amount of (loss) gain recognized in other non-interest income	307	(685)

[1] Gains and losses on these instruments are largely offset by market fluctuations in mortgage servicing rights. 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 years 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 March 31, 2021, and December 31, 2020, the Company had cash collateral on deposit with swap counterparties totaling $12.8 million and $22.2 million, 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, awards have been issued prior to the establishment of the 2012 Plan, some of which were still outstanding at March 31, 2021. The 2012 Plan is designed to provide flexibility to the Company regarding its ability to motivate, attract and retain the services of key officers, employees and directors. The 2012 Plan allows the Company to make grants of incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock awards, restricted stock units, dividend equivalent rights, performance unit awards or any combination thereof. At March 31, 2021, the maximum number of shares of the Company's common stock available for issuance under the 2012 Plan was 915,819 shares.

Share-based compensation cost charged to income for the three months ended March 31, 2021, and 2020, is presented below. There was no stock option expense for any of the periods shown.

	Three Months Ended March 31,	
(Dollars in thousands)	**2021**	**2020**
Restricted stock	$ 614	$ 537
Related tax benefits recognized in net income	129	113

Restricted Stock Grants

The Company's restricted stock grants 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 five 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 following table summarizes the Company's time-vested award activity:

	Three Months Ended March 31,			
	2021		2020	
	Shares	Weighted Average Grant-Date Fair Value	Shares	Weighted Average Grant-Date Fair Value
Nonvested shares, January 1,	103,359	$ 31.51	149,449	$ 35.15
Granted	6,286	33.82	—	—
Vested	(1,782)	27.20	(2,073)	25.81
Forfeited	(946)	24.69	(4,129)	37.14
Nonvested shares, March 31,	106,917	31.78	143,247	35.23

At March 31, 2021, there was $1.9 million of total unrecognized compensation cost related to nonvested restricted shares awarded under the 2012 Plan. That cost is expected to be recognized over a weighted average period of 2.0 years.

Stock Option Grants

The Company issues common stock options to select officers and employees through individual agreements and as a result of obligations assumed in association with certain business combinations. As a result, both incentive and nonqualified stock options have been issued and may be issued in the future. The exercise price of each option varies by agreement and is based on either the fair value of the stock at the date of the grant in circumstances where option grants occurred or based on the previously committed exercise price in the case of options acquired through merger. No outstanding stock option has a term that exceeds twenty years, and all of the outstanding options are fully vested. The Company recognizes 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.

The table below summarizes the status of the Company's stock options and changes during the three months ended March 31, 2021 and 2020.

(Dollars in thousands, except per share amounts)	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Three Months Ended March 31, 2021				
Outstanding at January 1, 2021	224,000	$ 10.86	4.92	$ 3,789
Exercised	(14,800)	9.89	—	—
Outstanding and exercisable at March 31, 2021	209,200	10.93	5.05	6,587
Three Months Ended March 31, 2020				
Outstanding at January 1, 2020	254,000	$ 10.55	5.81	$ 6,932
Exercised	(30,000)	8.25	—	—
Outstanding and exercisable at March 31, 2020	224,000	10.86	5.67	2,104

Note 10 - Accumulated Other Comprehensive Income

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

(Dollars in thousands)	Unrealized Gain (Loss) on AFS Securities	Unrealized (Loss) Gain on Cash Flow Hedges	Accumulated Other Comprehensive Income
Balance at January 1, 2021	$ 26,206	$ (557)	$ 25,649
Net change	(13,843)	379	(13,464)
Balance at March 31, 2021	$ 12,363	$ (178)	$ 12,185
Balance at January 1, 2020	$ 6,412	$ (79)	$ 6,333
Net change	10,044	(555)	9,489
Balance at March 31, 2020	$ 16,456	$ (634)	$ 15,822

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 effective for the Company as of January 1, 2019. 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 includes dividend payments and 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 capital, Tier 1 capital, Tier 1 capital, and total capital (as defined in the regulations) to risk-weighted assets (as defined), and of Tier 1 capital (as defined) to average assets (as defined). Management believes, at March 31, 2021, and December 31, 2020, that the Company and the Bank met all capital adequacy requirements to which they are subject, including the capital buffer requirement.

At March 31, 2021, and December 31, 2020, 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 capital, 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 implement CECL before the end of 2020 the option to delay for two years CECL’s adverse effects on regulatory capital. Origin 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 our regulatory capital for two years (from January 2020 through December 31, 2021), which resulted in a 19 basis point benefit to the common equity Tier 1 capital to risk-weighted assets capital ratio at December 31, 2020. The two-year delay will be followed by the three-year transition period of CECL's initial impact on our regulatory capital (from January 1, 2022 through December 31, 2024).

The actual capital amounts and ratios of the Company and Bank at March 31, 2021, and December 31, 2020, are presented in the following table:

(Dollars in thousands)

March 31, 2021	**Actual**		**Minimum Capital Required - Basel III**		**To be Well Capitalized Under Prompt Corrective Action Provisions**	
Common Equity Tier 1 Capital to Risk-Weighted Assets	**Amount**	**Ratio**	**Amount**	**Ratio**	**Amount**	**Ratio**
Origin Bancorp, Inc.	$ 626,931	10.17 %	$ 431,516	7.00 %	N/A	N/A
Origin Bank	660,585	10.74	430,549	7.00	$ 399,795	6.50 %
Tier 1 Capital to Risk-Weighted Assets						
Origin Bancorp, Inc.	636,315	10.32	524,097	8.50	N/A	N/A
Origin Bank	660,585	10.74	522,809	8.50	492,056	8.00
Total Capital to Risk-Weighted Assets						
Origin Bancorp, Inc.	858,644	13.92	647,684	10.50	N/A	N/A
Origin Bank	804,330	13.08	645,678	10.50	614,931	10.00
Leverage Ratio						
Origin Bancorp, Inc.	636,315	8.67	293,571	4.00	N/A	N/A
Origin Bank	660,585	9.02	292,942	4.00	366,178	5.00
December 31, 2020						
Common Equity Tier 1 Capital to Risk-Weighted Assets						
Origin Bancorp, Inc.	604,306	9.95	425,012	7.00	N/A	N/A
Origin Bank	637,863	10.53	424,010	7.00	393,724	6.50
Tier 1 Capital to Risk-Weighted Assets						
Origin Bancorp, Inc.	613,682	10.11	516,107	8.50	N/A	N/A
Origin Bank	637,863	10.53	514,870	8.50	484,583	8.00
Total Capital to Risk-Weighted Assets						
Origin Bancorp, Inc.	837,058	13.79	637,539	10.50	N/A	N/A
Origin Bank	782,503	12.92	636,019	10.50	605,732	10.00
Leverage Ratio						
Origin Bancorp, Inc.	613,682	8.62	284,771	4.00	N/A	N/A
Origin Bank	637,863	8.99	283,842	4.00	354,802	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 $43.4 million at March 31, 2021.

Stock Repurchases

During the first quarter of 2021, the Company repurchased a total of 37,568 shares of its common stock pursuant to its stock buyback program at an average price per share of $33.42, for an aggregate purchase price of $1.3 million. Prior to 2021, the Company had cumulatively repurchased an aggregate 330,868 common stock shares for a total purchase price of $10.8 million under the stock buyback program. As of March 31, 2021, the Company's board of directors has approved approximately $28.0 million remaining to be purchased under the program.

Note 12 - Commitments and Contingencies

Credit Related Commitments

In the normal 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, nonrevolving loan commitments issued mainly to finance the acquisition 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. These off-balance sheet financial instruments are summarized below:

(Dollars in thousands)	March 31, 2021	December 31, 2020
Commitments to extend credit	$ 1,390,528	$ 1,341,501
Standby letters of credit	48,967	42,911

In addition to the above, the Company guarantees the credit card debt of certain customers to the merchant bank that issues the credit cards. These guarantees are in place for as long as the guaranteed credit card is open. At March 31, 2021, and December 31, 2020, these credit card guarantees totaled $205,000 and $200,000, respectively. This amount represents the maximum potential amount of future payments under the guarantee for which the Company would be responsible in the event of customer non-payment.

At March 31, 2021, the Company held 37 unfunded letters of credit from the FHLB totaling $590.9 million with expiration dates ranging from April 20, 2021, to March 22, 2023. At December 31, 2020, the Company held 35 unfunded letters of credit from the FHLB totaling $527.4 million with expiration dates ranging from January 20, 2021, to November 4, 2022.

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 $2.4 million and $2.3 million at March 31, 2021, and December 31, 2020, respectively, and is included in accrued expenses and other liabilities in the accompanying consolidated balance sheets.

Loss Contingencies

From time to time the Company is also party to various legal actions arising in the ordinary course of business. At this time, management does not expect that loss contingencies, if any, arising from any such proceedings, either individually or in the aggregate, 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, and 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 2020 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. Deeply rooted in Origin's history is a culture committed to providing personalized, relationship banking to its clients and communities. Origin provides a broad range of financial services to businesses, municipalities, high net-worth individuals and retail clients. Origin currently operates 44 banking centers located from Dallas/Fort Worth and Houston, Texas across North Louisiana into Mississippi. 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 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, interest-bearing and noninterest-bearing liabilities and stockholders' equity, are usually the largest drivers of periodic changes in net interest spread, net interest margin and net interest income.

2021 First Quarter Highlights

- Net income for the quarter ended March 31, 2021, was $25.5 million, a historic quarterly high compared to $753,000 for the quarter ended March 31, 2020.
- Pre-tax, pre-provision earnings ("PTPP")(1) also hit a historic high of $32.9 million for the quarter ended March 31, 2021, compared to $18.9 million for the quarter ended March 31, 2020.
- The fully tax-equivalent net interest margin ("NIM") was 3.22% for the current quarter, compared to 3.44% for the quarter ended March 31, 2020.
- Provision for credit losses was $1.4 million for the quarter ended March 31, 2021, compared to provision expense of $18.5 million for the quarter ended March 31, 2020.
- Total LHFI was $5.85 billion at March 31, 2021, an increase of $125.0 million, or 2.2%, from December 31, 2020. LHFI growth, excluding PPP loans, increased $87.4 million, or 1.7%, compared to December 31, 2020.

- Total deposits at March 31, 2021, were $6.35 billion, an increase of $594.9 million, or 10.3%, compared to $5.75 billion, at December 31, 2020.

(1) PTPP is a non-GAAP financial measure. A reconciliation has been included under "*Non-GAAP Financial Measures*" below.

Recent Developments and Impact of the COVID-19 Pandemic

The effects of the COVID-19 pandemic and the governmental and societal response to the virus have negatively impacted overall economic conditions, which resulted in the shuttering of businesses and significant job loss during 2020. In recent months, a number of restrictive government initiatives designed to combat the effects of the COVID-19 pandemic have been eased on a national level and specifically in the Company's markets of Texas, Louisiana and Mississippi, allowing businesses to reopen at varying capacity levels, which has bolstered commercial activity to some degree. At the end of 2020, the U.S. Food and Drug Administration ("FDA") approved the first two COVID-19 vaccines, and in February 2021, approved a third COVID-19 vaccine, for deployment and distribution in the United States. Since such time, many American adults have been vaccinated against the virus. However, the risk of a resurgence in infections and possible reimplementation of new or additional restrictions at the national and local level to combat the COVID-19 pandemic remains present. The duration and severity of the COVID-19 pandemic remain impossible to predict. As the trend in the number of COVID-19 cases continues to fluctuate nationally, the potential exists for further resurgences to occur.

We have continued to meet our customers' needs while keeping the safety and well-being of our employees and customers as our top priority. While we allowed restricted access to our offices and branches during the height of the pandemic, our offices and branches have fully opened as of March 15, 2021. We continue to maintain social distancing measures for our employees, including the requirement to wear face masks unless working in an office or other location that permits social distancing. We have continued to follow enhanced sanitation protocols and also continue to encourage our employees to wash their hands thoroughly and frequently and to sanitize work areas when necessary to promote the safety and health of our employees and customers. Thermal kiosks for temperature checks are in use at the entrance of each location and customers are encouraged to wear face masks when entering Origin bank facilities. The Company continues to provide pandemic paid time off to employees and a dedicated hotline is available to quickly assist employees with any COVID-19 related questions or issues.

Beginning in early 2020, we proactively offered a range of policies and programs to accommodate customer hardship across our business in conjunction with the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") and the Paycheck Protection Program and Health Care Enhancement Act (the "PPP/HCE Act"), which were intended to provide emergency relief to several groups and individuals impacted by the COVID-19 pandemic. We established a SBA Paycheck Protection Program task force and we continue to approve loans under this program as a result of the CARES Act. We also offered forbearance (90 day extensions) and modification agreements to our customers affected by the COVID-19 pandemic, primarily during 2020. We continue to track pandemic impacted relationships and general economic conditions in our markets.

Due to the economic impact of the COVID-19 pandemic and governmental efforts to contain it, we believe that certain business sectors of the U.S. economy may be more affected than others. Some of the sectors in which we operate that may experience a more significant impact include hotel, non-essential retail, restaurant and assisted living. Excluding PPP loans, at March 31, 2021, we had $510.5 million, or 9.7%, of our LHFI invested in these sectors. The allowance for loan credit losses on these sectors was $13.0 million at March 31, 2021, and the allowance for loan credit losses on COVID-19-impacted sectors to total LHFI in these sectors was 2.55%. Nonperforming LHFI in these key sectors impacted by the COVID-19 pandemic was $1.1 million at March 31, 2021, while past due LHFI, defined as loans 30 days or more past due, as a percentage of LHFI, excluding PPP loans, in these key sectors impacted by the COVID-19 pandemic, was 0.2% at March 31, 2021.

Our allowance for loan credit losses as a percentage of total LHFI was 1.46% at March 31, 2021, compared to 1.51% and 1.25% at December 31, 2020, and March 31, 2020, respectively, primarily due to the deterioration in macroeconomic variables related to the COVID-19 pandemic.

See "*Item 1A - Risk Factors*" for additional information regarding risks and significant uncertainties relating to the COVID-19 pandemic.

Comparison of Results of Operations for the Three Months Ended March 31, 2021 and 2020

Net Interest Income and Net Interest Margin

Net interest income for the three months ended March 31, 2021, was $55.2 million, an increase of $12.4 million over the three months ended March 31, 2020. The improvement was due to increases of $6.4 million and $6.1 million in interest income from mortgage warehouse lines of credit, and PPP loans, respectively, and a $6.5 million decrease in interest expense on deposits. These increases were offset by a $5.9 million decrease in the total interest earned on the LHFI portfolio, excluding mortgage warehouse loans and PPP loans, during the three months ended March 31, 2021, compared to the three months ended March 31, 2020.

The $6.4 million increase in interest income on mortgage warehouse lines of credit for the three months ended March 31, 2021, over the three months ended March 31, 2020, was due to higher mortgage activity driven by the low interest rate environment, coupled with additional mortgage warehouse clients being onboarded during the intervening period leading to higher average balances during the three months ended March 31, 2021. The $5.9 million decrease in interest income earned on LHFI portfolio, excluding mortgage warehouse loans and PPP loans, was primarily due to the impact of lower interest rates. The increase in interest income on PPP loans was entirely due to higher balances as we did not fund any PPP loans during the three months ended March 31, 2020.

Deposit interest expense decreased to $3.8 million during the three months ended March 31, 2021, compared to $10.3 million during the three months ended March 31, 2020, due to the reduction in deposit rates between the two periods. The average rate on savings and interest-bearing transaction accounts was 0.26% for the current period, down from 1.05% for the three months ended March 31, 2020, accounting for $6.9 million of the decrease in interest expense from the three months ended March 31, 2020. The average rate on time deposits decreased to 0.95% for the three months ended March 31, 2021, down from 1.98% for the three months ended March 31, 2020, providing an additional decrease of $1.7 million in interest expense. These rate-driven interest expense declines were offset by a $2.8 million increase in interest expense due to an increase in the average balances of savings and interest-bearing transaction accounts when comparing the three months ended March 31, 2021, to the same period in 2020.

The net interest margin was 3.22% for the three months ended March 31, 2021, a 22 basis point decrease from the three months ended March 31, 2020. The yield earned on interest-earning assets for the three months ended March 31, 2021, was 3.58%, a 79 basis point decrease from 4.37% for the three months ended March 31, 2020. This decrease was partially offset by the decrease in interest rates paid on interest-bearing deposits. The rate paid on total interest-bearing liabilities for the three months ended March 31, 2021, was 0.57%, representing a decrease of 80 basis points compared to the three months ended March 31, 2020. The margin compression we experienced since the three months ended March 31, 2020, was primarily caused by decreasing loan yields driven by declining short-term interest rates over the last several quarters. The results for the first quarter of 2021 have improved from the quarterly results achieved during 2020, due primarily to the acceleration of PPP fees accreted into earnings, but as a result of the uncertainty surrounding the economic outlook and concern that there may be a resurgence of COVID-19, the current low interest rate environment may continue to put pressure on our net interest margin due to both maturing assets and floating rate assets potentially repricing at lower rates.

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 March 31, 2021 and 2020.

(Dollars in thousands)	Three Months Ended March 31, 2021			2020		
Assets	**Average Balance[(1)]**	**Income/Expense**	**Yield/Rate**	**Average Balance[(1)]**	**Income/Expense**	**Yield/Rate**
Commercial real estate	$ 1,421,819	$ 14,593	4.16 %	$ 1,274,633	$ 15,477	4.88 %
Construction/land/land development	541,782	5,465	4.09	545,076	7,064	5.21
Residential real estate	888,208	8,848	4.04	695,040	8,272	4.79
PPP	565,653	6,138	4.40	—	—	—
Commercial and industrial excl. PPP	1,255,436	12,223	3.95	1,372,801	16,168	4.74
Commercial and industrial	1,821,089	18,361	4.09	1,372,801	16,168	4.74
Mortgage warehouse lines of credit	961,808	8,707	3.67	210,480	2,332	4.46
Consumer	17,649	253	5.81	19,687	332	6.77
LHFI	5,652,355	56,227	4.03	4,117,717	49,645	4.85
Loans held for sale	87,177	583	2.71	33,288	404	4.89
Loans receivable	5,739,532	56,810	4.01	4,151,005	50,049	4.85
Investment securities-taxable	750,801	3,300	1.78	450,576	2,712	2.42
Investment securities-non-taxable	295,000	1,672	2.30	102,954	758	2.96
Non-marketable equity securities held in other financial institutions	60,326	216	1.45	40,494	311	3.09
Interest-bearing deposits in banks	196,616	129	0.27	319,953	1,186	1.49
Total interest-earning assets	7,042,275	62,127	3.58	5,064,982	55,016	4.37
Noninterest-earning assets[(2)]	340,220			335,722		
Total assets	$ 7,382,495			$ 5,400,704		
Liabilities and Stockholders' Equity						
Liabilities						
Interest-bearing liabilities						
Savings and interest-bearing transaction accounts	$ 3,513,281	$ 2,256	0.26 %	$ 2,444,953	$ 6,397	1.05 %
Time deposits	656,255	1,533	0.95	781,907	3,853	1.98
Total interest-bearing deposits	4,169,536	3,789	0.37	3,226,860	10,250	1.28
FHLB advances & other borrowings	557,798	1,269	0.92	314,616	1,351	1.73
Subordinated debentures	157,221	1,830	4.72	51,308	605	4.74
Total interest-bearing liabilities	4,884,555	6,888	0.57	3,592,784	12,206	1.37
Noninterest-bearing liabilities						
Noninterest-bearing deposits	1,700,523			1,097,646		
Other liabilities[(2)]	139,554			99,112		
Total liabilities	6,724,632			4,789,542		
Stockholders' Equity	657,863			611,162		
Total liabilities and stockholders' equity	$ 7,382,495			$ 5,400,704		
Net interest spread			3.01 %			3.00 %
Net interest income and margin		$ 55,239	3.18		$ 42,810	3.40
Net interest income and margin - (tax equivalent)[(3)]		$ 55,988	3.22		$ 43,315	3.44

(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) Includes Government National Mortgage Association ("GNMA") repurchase average balances of $59.0 million, $27.9 million for the three months ended March 31, 2021 and 2020, respectively. The GNMA repurchase asset and liability are recorded as equal offsetting amounts in the consolidated balance sheets, with the asset included in loans held for sale and the liability included in FHLB advances and other borrowings. For more information on the GNMA repurchase option, see *Note 6 - Mortgage Banking* in the condensed notes to our consolidated financial statements.

(3) 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%.

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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 this table, changes attributable to both rate and volume that cannot be segregated, including the difference in day count, have been allocated to rate.

(Dollars in thousands)	**Three Months Ended March 31, 2021 vs. Three Months Ended March 31, 2020**		
Interest-earning assets	**Increase (Decrease) due to Change in**		
Loans:	**Volume**	**Yield/Rate**	**Total Change**
Commercial real estate	$ 1,787	$ (2,671)	$ (884)
Construction/land/land development	(43)	(1,556)	(1,599)
Residential real estate	2,299	(1,723)	576
PPP	6,138	—	6,138
Commercial and industrial excl. PPP	(858)	(3,087)	(3,945)
Mortgage warehouse lines of credit	8,325	(1,950)	6,375
Consumer	(34)	(45)	(79)
Loans held for sale	655	(476)	179
Loans receivable	18,269	(11,508)	6,761
Investment securities-taxable	1,807	(1,219)	588
Investment securities-non-taxable	1,414	(500)	914
Non-marketable equity securities held in other financial institutions	153	(248)	(95)
Interest-bearing deposits in banks	(457)	(600)	(1,057)
Total interest-earning assets	21,186	(14,075)	7,111
Interest-bearing liabilities			
Savings and interest-bearing transaction accounts	2,795	(6,936)	(4,141)
Time deposits	(619)	(1,701)	(2,320)
FHLB advances & other borrowings	1,044	(1,126)	(82)
Subordinated debentures	1,249	(24)	1,225
Total interest-bearing liabilities	4,469	(9,787)	(5,318)
Net interest income	$ 16,717	$ (4,288)	$ 12,429

Provision for Credit Losses

The provision for credit losses, which includes the provisions for loan losses, off-balance sheet commitments 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 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.

We recorded provision expense of $1.4 million for the three months ended March 31, 2021, a decrease of $17.1 million from $18.5 million for the three months ended March 31, 2020. This decrease in provision expense reflects an improvement in forecasted economic conditions compared to worsening forecasted economic conditions at March 31, 2020. Net charge-offs were $2.9 million during the three months ended March 31, 2021, compared to $1.1 million during the three months ended March 31, 2020. The increase was primarily due to six commercial and industrial loans, reflecting four loan relationships, that were written down during the quarter ended March 31, 2021, totaling $2.8 million.

On January 1, 2020, we adopted CECL and recognized a one-time cumulative effect adjustment to the allowance for loan credit losses of $1.2 million. CECL requires recording life-of-loan projected losses in the loan portfolio based on reasonable and supportable forecasts and related loan portfolio credit performance. At adoption on January 1, 2020, the economic effects resulting from the COVID-19 pandemic were unknown. As such, the economic scenario used to develop our estimate of CECL as of the adoption date assumed a continued moderate U.S. economic expansion compared to 2019. The prior accounting standard recorded reserves based on probable losses at the balance sheet date, generally resulting in lower reserve levels at the outset of an economic downturn.

Pursuant to rules of the federal banking agencies, we have elected to use a two-year delay of CECL’s impact on our regulatory capital (from January 1, 2020 through December 31, 2021) followed by a three-year transition period of CECL’s initial impact on our regulatory capital (from January 1, 2022 through December 31, 2024).

Our provision expense for the three months ended March 31, 2021, was reduced from the amounts we recorded in each of the four individual quarters in 2020, which were significantly impacted by the COVID-19 pandemic and the uncertainty surrounding the economic outlook. Economic events during 2020 shaped the forecast we used in our calculation of the CECL estimate at March 31, 2020, and caused us to significantly increase our allowance for loan credit losses during the period. While there are improvements in economic forecasts, uncertainty remains particularly related to the first half of 2021 and the deployment and effectiveness of a vaccine.

We continue to gather the latest information available, and as more information becomes available concerning the economic impact and duration of the COVID-19 pandemic, we will update our forecast and related qualitative factors, which could lead to further increases to our allowance for loan credit losses.

Noninterest Income

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

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

(Dollars in thousands)	Three Months Ended March 31,			
Noninterest income:	**2021**	**2020**	**$ Change**	**% Change**
Service charges and fees	$ 3,343	$ 3,320	$ 23	0.7 %
Mortgage banking revenue	4,577	2,769	1,808	65.3
Insurance commission and fee income	3,771	3,687	84	2.3
Gains on sales of securities, net	1,668	54	1,614	N/M
Loss on sales and disposals of other assets, net	(38)	(25)	(13)	52.0
Limited partnership investment income (loss)	1,772	(429)	2,201	N/M
Swap fee income	348	676	(328)	(48.5)
Other fee income	771	466	305	65.5
Other income	919	1,626	(707)	(43.5)
Total noninterest income	$ 17,131	$ 12,144	$ 4,987	41.1

N/M = Not meaningful.

Noninterest income for the three months ended March 31, 2021, increased by $5.0 million, or 41.1%, to $17.1 million, compared to $12.1 million for the three months ended March 31, 2020. The increase was largely driven by increases of $2.2 million, $1.8 million, and $1.6 million in limited partnership investment income, mortgage banking revenue, and gains on sales of securities, net. The increases were partially offset by a decrease of $707,000 in other income.

Limited partnership investment income. The $2.2 million increase in the limited partnership investment income during the quarter ended March 31, 2021, compared to the quarter ended March 31, 2020 was primarily due to valuation increases as a result of investment performance in two limited partnership funds.

Mortgage banking revenue. The $1.8 million increase in mortgage banking revenue compared to the three months ended March 31, 2020, was primarily driven by an increase in the MSR valuation of $7.2 million and a $5.1 million increase in gain on sales of loans held for sale due to higher volumes of purchases and refinance activity between the two quarters driven by falling interest rates, offset by a decrease in the impact of the MSR hedge of $6.0 million and a $4.4 million decrease in mortgage held for sale and pipeline fair value adjustment. After the historic purchase and re-finance market that we experienced in 2020, we expect refinance activity to decrease in 2021 which could reduce our mortgage banking revenue from the 2020 historically high levels.

Gain on sales of securities, net. The $1.6 million increase in gain on sales of securities, net, was the result of the movement out of positions in lower yielding securities. We used the funds generated from the sale of the securities to prepay relatively high-cost FHLB advances.

Other income. The $707,000 decrease in other income compared to the three months ended March 31, 2020, included a $351,000 decrease in bank owned life insurance income driven by a death benefit payout to us that exceeded cash surrender value by $316,000 during the quarter ended March 31, 2020, which did not recur in the current quarter. Additionally, the valuation-related changes in the fair value option loans and securities and related interest rate swaps we carry on our balance sheet are recorded through other income. The net impact of valuation changes for these items was a negative $229,000 for the quarter ended March 31, 2021, compared to a positive $210,000 for the quarter ended March 31, 2020, causing a decrease in income from these items of $439,000 in the comparative periods.

Noninterest Expense

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

(Dollars in thousands)	Three Months Ended March 31,			
Noninterest expense:	**2021**	**2020**	**$ Change**	**% Change**
Salaries and employee benefits	$ 22,325	$ 21,988	$ 337	1.5 %
Occupancy and equipment, net	4,339	4,221	118	2.8
Data processing	2,173	2,003	170	8.5
Electronic banking	961	900	61	6.8
Communications	415	477	(62)	(13.0)
Advertising and marketing	680	711	(31)	(4.4)
Professional services	973	1,171	(198)	(16.9)
Regulatory assessments	1,170	615	555	90.2
Loan related expenses	1,705	1,142	563	49.3
Office and operations	1,454	1,441	13	0.9
Intangible asset amortization	234	299	(65)	(21.7)
Franchise tax expense	619	496	123	24.8
Other	2,388	633	1,755	N/M
Total noninterest expense	$ 39,436	$ 36,097	$ 3,339	9.3

Noninterest expense for the three months ended March 31, 2021, increased by $3.3 million, or 9.3%, to $39.4 million, primarily due to increases of $1.8 million, $563,000, $555,000, and $337,000 in other expenses, loan related expenses, regulatory assessments, and salaries and employee benefits expenses.

Other. The increase in other noninterest expense was due to prepayment fees of $1.6 million incurred related to the early termination of long-term FHLB advances during the quarter ended March 31, 2021. We terminated the advances early due to the relatively high cost of the funding and offset prepayment fees with gains on the sale of underperforming investment securities as referenced under "*Gain on sales of securities, net"* above.

Loan related expenses. The increase in loan related expenses was primarily driven by a $252,000 increase in the loan related legal fees, which was primarily due to the significant increase in our total loan portfolio during the last 12 months.

Regulatory assessments. The $555,000 increase in regulatory assessments was primarily due to the significant growth in our assets during the last 12 months.

Income Tax Expense

For the three months ended March 31, 2021, we recognized income tax expense of $6.0 million, compared to an income tax benefit of $427,000 for the three months ended March 31, 2020. Our effective tax rate for the three months ended March 31, 2021, was 19.1%, compared to negative 131.0% for the three months ended March 31, 2020. The increase in our effective tax rate for the three months ended March 31, 2021, was primarily due to the increase in our pre-tax income compared to 2020, which made the proportional effect of the tax-exempt items larger on the effective income tax rate.

Our quarterly provision for income taxes has historically been calculated using the AETR method, which applies an estimated annual effective tax rate to pre-tax income or loss. However, we recorded our interim income tax provision using the actual effective tax rate as of March 31, 2021 and March 31, 2020, as allowed under ASC 740-270, *Accounting for Income Taxes - Interim Reporting*. We utilized the actual effective rate to record tax expense, rather than the AETR method, as a reliable estimate of ordinary income. Significant permanent items are not able to be made at this time, primarily driven by the COVID-19 pandemic, which results in significant variations in income tax expense and would have resulted in a disproportionate and unreliable effective tax rate under the AETR method. We determined current and deferred income tax expense as if the interim period were an annual period.

Our effective income tax rates have differed from the applicable U.S. statutory rates of 21% at March 31, 2021 and 2020, due to the effect of tax-exempt income from securities, low income housing and qualified school construction bond tax credits, tax-exempt income from life insurance policies and income tax effects associated with stock-based compensation. Because of these items, we expect our effective income tax rate to continue to remain below the applicable U.S. statutory rate. These tax-exempt items can have a larger than proportional effect on the effective income tax rate as net income decreases. Any increases to the statutory tax rate would increase income taxes in the future.

Comparison of Financial Condition at March 31, 2021, and December 31, 2020

General

Total assets decreased by $65.1 million, or 0.9%, to $7.56 billion at March 31, 2021, from $7.63 billion at December 31, 2020. The decrease was primarily attributable to $112.3 million decrease in cash and cash equivalents and a $46.6 million decrease in loans held for sale, offset by a $125.0 million increase in LHFI.

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 March 31, 2021, 74.8% of the loan portfolio held for investment was comprised of commercial and industrial loans, including PPP loans, mortgage warehouse lines of credit and commercial real estate loans, which were primarily originated within our market areas of Texas, North Louisiana, and Mississippi.

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

(Dollars in thousands)	March 31, 2021		December 31, 2020			
Real estate:	Amount	Percent	Amount	Percent	$ Change	% Change
Commercial real estate [1]	$ 1,454,649	24.9 %	$ 1,387,939	24.2 %	$ 66,710	4.8 %
Construction/land/land development	548,236	9.4	531,860	9.3	16,376	3.1
Residential real estate	904,753	15.5	885,120	15.5	19,633	2.2
Total real estate	2,907,638	49.8	2,804,919	49.0	102,719	3.7
PPP	584,148	10.0	546,519	9.5	37,629	6.9
Commercial and industrial	1,250,350	21.3	1,271,343	22.3	(20,993)	(1.7)
Mortgage warehouse lines of credit	1,090,347	18.6	1,084,001	18.9	6,346	0.6
Consumer	17,277	0.3	17,991	0.3	(714)	(4.0)
Total LHFI	$ 5,849,760	100.0 %	$ 5,724,773	100.0 %	$ 124,987	2.2 %

(1) Includes $13.6 million and $17.0 million of commercial real estate loans for which the fair value option was elected at March 31, 2021 and December 31, 2020, respectively.

At March 31, 2021, total LHFI were $5.85 billion, an increase of $125.0 million, or 2.2%, compared to $5.72 billion at December 31, 2020. The increase reflected growth in all significant loan categories except for commercial and industrial loans. The largest increases are primarily reflected in commercial real estate and PPP loans, which increased $66.7 million and $37.6 million, respectively. Our lending focus is on operating companies, including commercial loans and lines of credit as well as owner-occupied commercial real estate loans. We currently do not plan to significantly alter the real estate concentrations within our loan portfolio, however, we believe the volume within our mortgage warehouse lines of credit portfolio will decline over the next year.

Under the CARES Act, Congress allocated funds to the PPP, which is designed to provide short-term loans to certain qualifying businesses who retain employees during the COVID-19 pandemic. These loans, totaling $584.1 million for the Company at March 31, 2021, have a maximum maturity of five years, bear a fixed rate of interest at one percent for the entire term, and we anticipate many of them will be forgiven by the Small Business Administration under the terms of the PPP before their respective maturity dates. As of March 31, 2021, $160.4 million of Origin Bank originated PPP loans have been forgiven under this program.

Loan Portfolio Maturity Analysis

The table below presents the maturity distribution of our LHFI at March 31, 2021. 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.

	March 31, 2021			
(Dollars in thousands)	One Year or Less	Over One Year Through Five Years	Over Five Years	Total
Real estate:				
Commercial real estate	$ 232,951	$ 870,622	$ 351,076	$ 1,454,649
Construction/land/land development	177,424	308,026	62,786	548,236
Residential real estate loans	117,030	391,422	396,301	904,753
Total real estate	527,405	1,570,070	810,163	2,907,638
Commercial and industrial loans	594,666	1,123,249	116,583	1,834,498
Mortgage warehouse lines of credit	1,090,347	—	—	1,090,347
Consumer loans	5,781	10,360	1,136	17,277
Total LHFI	$ 2,218,199	$ 2,703,679	$ 927,882	$ 5,849,760
Amounts with fixed rates	$ 274,524	$ 1,834,943	$ 317,351	$ 2,426,818
Amounts with variable rates	1,943,675	868,736	610,531	3,422,942
Total	$ 2,218,199	$ 2,703,679	$ 927,882	$ 5,849,760

Loan Portfolio COVID-19 Impact

The COVID-19 pandemic has had a severe impact on the U.S. economy which has led to severe unemployment and a recession. In recent months, a number of restrictive government initiatives designed to combat the effects of the COVID-19 pandemic have been eased, allowing businesses to reopen at varying capacity levels, which has bolstered commercial activity to some degree. While it appears the negative effects of the pandemic have eased, there is still much uncertainty surrounding the course of the COVID-19 pandemic, which may include the possible implementation of new or additional restrictions on economic activity. The deteriorating economic outlook caused us to significantly increase our allowance for loan credit losses during 2020, resulting in additional provision expense and reduced earnings during the period. Due to the ongoing economic impact of the COVID-19 pandemic and governmental efforts to contain it, certain sectors of the U.S. economy were more affected than others. Some of the sectors in which we operate that appear to have experienced a more significant impact include hotel, non-essential retail, restaurant and assisted living. At March 31, 2021, we had $510.5 million, or 9.7%, of our LHFI, excluding PPP loans, invested in these sectors. Nonperforming LHFI in the sectors impacted by the COVID-19 pandemic was $1.1 million at March 31, 2021, while past due LHFI, defined as loans 30 days or more past due, as a percentage of LHFI in these sectors, excluding PPP loans, was 0.2% at March 31, 2021. Loans in COVID-19 related forbearance totaled $5.3 million and represented 0.1% of LHFI, excluding PPP loans, at March 31, 2021.

Certain key data regarding the sectors that may experience a more significant impact due to the COVID-19 pandemic at March 31, 2021, is reflected in the table below. The information presented excludes PPP loans.

(Dollars in thousands)

Selected sectors	Outstanding Balance	Loans Under Forbearance	Past Due	NPL
Hotel	$ 62,319	$ 301	$ —	$ —
Non-Essential retail	180,394	—	58	381
Restaurant	119,700	1,595	—	—
Assisted living	148,077	—	750	750
Selected sectors	510,490	1,896	808	1,131
All other LHFI	4,755,122	3,397	25,766	32,227
Total LHFI, excluding PPP loans	$ 5,265,612	$ 5,293	$ 26,574	$ 33,358

Nonperforming Assets

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

Loans are considered past due when principal and interest payments have not been received at the date such payments are contractually due. We discontinue accruing interest on loans when we determine the borrower's financial condition is such that collection of interest and principal payments in accordance with the terms of the loan are not reasonably assured. 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. All interest accrued but not collected for loans that are placed on nonaccrual status is reversed against interest income. Interest income is subsequently recognized only to the extent cash payments are received in excess of principal outstanding. Loans are returned to accrual status when all 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 allowance for loan credit losses.

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.

Although we have seen an impact from the COVID-19 pandemic, the ultimate impact is still unknown. The ongoing economic uncertainty, possibility of additional governmental restrictions on economic activity and relatively high unemployment rate has created conditions that could cause an increase in nonperforming loans in future periods.

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

(Dollars in thousands)		
Nonperforming LHFI	March 31, 2021	December 31, 2020
Commercial real estate	$ 1,085	$ 3,704
Construction/land/land development	2,431	2,962
Residential real estate	10,692	6,530
Commercial and industrial	19,094	12,897
Consumer	56	56
Total nonperforming LHFI	33,358	26,149
Nonperforming loans held for sale	963	681
Total nonperforming loans	34,321	26,830
Other real estate owned		
Commercial real estate	2,575	266
Residential real estate	1,318	1,318
Total other real estate owned	3,893	1,584
Other repossessed assets owned	—	343
Total repossessed assets owned	3,893	1,927
Total nonperforming assets	$ 38,214	$ 28,757
Troubled debt restructuring loans - nonaccrual	$ 5,515	$ 5,671
Troubled debt restructuring loans - accruing	3,237	3,314
Total LHFI	5,849,760	5,724,773
Ratio of nonperforming LHFI to total LHFI	0.57 %	0.46 %
Ratio of nonperforming assets to total assets	0.51	0.38

At March 31, 2021, total nonperforming LHFI increased by $7.2 million, or 27.6%, from December 31, 2020. The increase in nonperforming commercial and industrial loans at March 31, 2021, is primarily due to one loan for $7.1 million that was not considered nonperforming at December 31, 2020. The increase in nonperforming residential real estate loans is primarily due to two loans totaling $4.5 million that were not considered nonperforming at December 31, 2020. Please see *Note 4 - Loans* within our condensed notes to our consolidated financial statements 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.

Information regarding the internal risk ratings of our loans at March 31, 2021, is included in *Note 4 - Loans* in the condensed notes to our consolidated financial statements included in Item 1 of this report.

Allowance for Loan Losses

Effective January 1, 2020, the Company adopted CECL resulting in a change to the Company's reporting of credit losses for assets held at amortized cost basis and available for sale debt securities. Please see *Note 1 - Significant Accounting Policies* included in the Company's 2020 Form 10-K filed with the SEC for a description of policy revisions resulting from the Company's adoption of ASU 2016-13.

The allowance for loan credit losses 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. The Company evaluates LHFI on a pool basis with pools of loans characterized by loan type, collateral, industry, internal credit risk rating and FICO score. The Company applied a probability of default, loss given default loss methodology to the loan pools at March 31, 2021. 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 differences between current period conditions, including the ongoing effects of COVID-19 on the U.S. economy, and the conditions existing during the historical loss period. Historical losses are additionally adjusted for the effects of certain economic variables forecast over a one-year 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 allowance for loan credit losses 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 allowance for loan credit losses, it would materially and adversely affect our earnings.

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; and

- 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.

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Our allowance for loan credit losses decreased by $1.5 million or 1.8%, to $85.1 million at March 31, 2021, from $86.7 million at December 31, 2020. The ratio of allowance for loan credit losses to total LHFI at March 31, 2021 and 2020, was 1.46% and 1.51%, respectively.

The following table presents an analysis of the allowance for loan credit losses and other related data at the periods indicated.

(Dollars in thousands)	Three Months Ended March 31,		Year Ended December 31,
Allowance for loan credit losses	**2021**	**2020**	**2020**
Balance at beginning of period	$ 86,670	$ 37,520	$ 37,520
Impact of adopting ASC 326	—	1,248	1,248
Provision for loan losses	1,360	18,396	59,028
Charge-offs:			
Commercial real estate	28	172	4,924
Construction/land/land development	—	—	—
Residential real estate	—	49	692
Commercial and industrial	2,955	1,180	6,702
Mortgage warehouse lines of credit	—	—	—
Consumer	44	24	76
Total charge-offs	3,027	1,425	12,394
Recoveries:			
Commercial real estate	3	2	19
Construction/land/land development	—	—	1
Residential real estate	9	149	202
Commercial and industrial	108	169	1,022
Mortgage warehouse lines of credit	—	—	—
Consumer	13	4	24
Total recoveries	133	324	1,268
Net charge-offs	2,894	1,101	11,126
Balance at end of period	$ 85,136	$ 56,063	$ 86,670
Ratio of allowance for loan credit losses to:			
Nonperforming LHFI	255.22 %	169.72 %	331.45 %
LHFI	1.46	1.25	1.51
Net annualized charge-offs as a percentage of:			
Provision for loan credit losses	863.00	24.07	18.85
Allowance for loan credit losses	13.79	7.90	12.84
Average LHFI	0.21	0.11	0.22

Securities

Our securities portfolio totaled $1.03 billion at March 31, 2021, representing a decrease of $25.2 million, or 2.4%, from $1.05 billion at December 31, 2020. The decrease was the result of the sales of lower-yielding securities, as well as decline in value of available for sale securities during the three months ended March 31, 2021, due to rising long-term interest rates. 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.

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 presents our deposit mix at the dates indicated:

	March 31, 2021		December 31, 2020			
(Dollars in thousands)	Balance	% of Total	Balance	% of Total	$ Change	% Change
Noninterest-bearing demand	$ 1,736,534	27.4 %	$ 1,607,564	28.0 %	$ 128,970	8.0 %
Interest-bearing demand	1,038,135	16.4	1,052,639	18.3	(14,504)	(1.4)
Money market	2,123,727	33.4	1,789,914	31.0	333,813	18.6
Time deposits	647,578	10.2	664,766	11.6	(17,188)	(2.6)
Brokered	571,673	9.0	431,180	7.5	140,493	32.6
Savings	228,547	3.6	205,252	3.6	23,295	11.3
Total deposits	$ 6,346,194	100.0 %	$ 5,751,315	100.0 %	$ 594,879	10.3 %

Increases of $333.8 million, $140.5 million and $129.0 million, in money market, brokered, and noninterest-bearing demand deposits, respectively, drove the increase in total deposits compared to December 31, 2020, partially due to depositors moving into a statistically higher percentage of personal savings rates during the period and the use of short-term brokered deposits to partially fund the growth in warehouse lines.

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

	Three Months Ended March 31,					
	2021			2020		
(Dollars in thousands)	Average Balance	Interest Expense	Annualized Average Rate Paid	Average Balance	Interest Expense	Annualized Average Rate Paid
Interest-bearing demand	$ 1,044,163	$ 648	0.25 %	$ 806,075	$ 1,605	0.80 %
Money market	1,817,619	1,487	0.33	1,320,443	4,123	1.26
Time deposits	656,255	1,533	0.95	781,907	3,853	1.98
Brokered	436,609	83	0.08	162,480	606	1.50
Savings	214,890	38	0.07	155,955	63	0.16
Total interest-bearing	4,169,536	3,789	0.37	3,226,860	10,250	1.28
Noninterest-bearing demand	1,700,523			1,097,646		
Total average deposits	$ 5,870,059	$ 3,789	0.26 %	$ 4,324,506	$ 10,250	0.95 %

Our average deposit balance was $5.87 billion for the three months ended March 31, 2021, an increase of $1.55 billion, or 35.7%, from $4.32 billion for the three months ended March 31, 2020. The average annualized rate paid on our interest-bearing deposits for the three months ended March 31, 2021, was 0.37%, compared to 1.28% for the three months ended March 31, 2020. The decrease in the average cost of our deposits was primarily the result of steadily falling interest rates that occurred since March 31, 2020. The Federal Reserve lowered the federal funds target rate twice during March 2020, resulting in an aggregate 150 basis point decrease in the target rate, which was not fully absorbed by the markets until later in 2020, though the reduction occurred in March 2020. When the target rate reductions began, we took action to lower deposit rates on nonmaturity deposits. Our Louisiana market deposits also increased $556.5 million compared to March 31, 2020, which historically carry lower cost of deposits than those in Texas, helping to lower our overall cost of deposits.

Average noninterest-bearing deposits at March 31, 2021, were $1.70 billion, compared to $1.10 billion at March 31, 2020, an increase of $602.9 million, or 54.9%, and represented 29.0% and 25.4% of average total deposits for the three months ended March 31, 2021 and 2020, respectively.

Borrowings

During the quarter ended March 31, 2021, we increased our average outstanding short-term FHLB advances to $278.1 million from $64.9 million during the quarter ended December 31, 2020. Period end short-term FHLB advances decreased $650.0 million at March 31, 2021 compared to December 31, 2020, due to increases in deposits which were used to pay down the advances. Additionally, using funds generated from the sale of investment securities during the quarter, we prepaid $13.1 million in long-term FHLB advances during the quarter ended March 31, 2021, and incurred related prepayment fees of $1.6 million. Shifts in funding costs and sources and the movement out of lower-yielding investment positions drove the changes in our FHLB balances during the period, as we supported the ongoing mortgage warehouse loan growth.

The table below shows FHLB advances by maturity and weighted average rate at March 31, 2021:

(Dollars in thousands)	Balance	Weighted Average Rate
After five years	$ 257,186	1.70 %

At March 31, 2021, we were eligible to borrow an additional $1.05 billion 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, the Company has up to $50.0 million available under a line of credit.

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

(Dollars in thousands)	March 31, 2021	December 31, 2020
Available cash balances at the holding company (unconsolidated)	$ 42,628	$ 42,908
Cash and liquid securities as a percentage of total assets	12.7 %	13.6 %

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.

COVID -19

As previously discussed, in light of the volatility and disruptions in the capital and credit markets resulting from the COVID-19 pandemic and its negative impact on the economy, we took a number of precautionary actions to enhance our financial flexibility by bolstering our liquidity to ensure we have adequate cash readily available to meet both expected and unexpected funding needs. We have accessed and repaid liquidity both under the PPPLF and FHLB advance window during mid-2020, and currently have access to $3.69 billion of contingent liquidity sources including FHLB availability. We believe we currently have sufficient liquidity from the available on- and off-balance sheet liquidity sources. We continue to review actions that we may take to further enhance our financial flexibility in the event that market conditions change.

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 may also use the discount window at the Federal Reserve Bank ("FRB") 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 March 31, 2021, or December 31, 2020. 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, we had the ability to borrow at the discount window of the FRB using our commercial and industrial loans as collateral. There were no borrowings against this line at March 31, 2021.

Please see the "*Stock Repurchases"* section below for information on the Company's stock buy-back program.

Off-Balance Sheet Arrangements and Contractual Obligations

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.

The table below presents the funding requirements of our most significant financial commitments, excluding interest and purchase discounts, at the date indicated:

(Dollars in thousands)	Payments Due by Period				
March 31, 2021	**Less than One Year**	**One-Three Years**	**Three-Five Years**	**Greater than Five Years**	**Total**
FHLB advances	$ —	$ —	$ —	$ 257,186	$ 257,186
Time deposits	494,807	144,448	8,323	—	647,578
Subordinated debentures	—	—	—	160,826	160,826
Operating lease obligations	4,685	8,506	4,773	11,640	29,604
Overnight repurchase agreements with depositors	6,321	—	—	—	6,321
Limited partnership investments[(1)]	2,945	—	—	—	2,945
Low income housing tax credits	436	165	274	319	1,194
Total contractual obligations	$ 509,194	$ 153,119	$ 13,370	$ 429,971	$ 1,105,654

(1) These commitments represent amounts we are obligated to contribute to various limited partnership investments in accordance with the provisions of the respective limited partnership agreements. The capital contributions may be required at any time, and are therefore reflected in the Less than One Year category.

Credit Related Commitments

Commitments to extend credit include revolving commercial credit lines, non-revolving loan commitments issued mainly to finance the acquisition 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.

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

The table below presents our commitments to extend credit by commitment expiration date for the date indicated:

	March 31, 2021				
(Dollars in thousands)	**Less than One Year**	**One-Three Years**	**Three-Five Years**	**Greater than Five Years**	**Total**
Commitments to extend credit[(1)]	$ 687,663	$ 401,253	$ 198,928	$ 102,684	$ 1,390,528
Standby letters of credit	41,323	7,644	—	—	48,967
Total off-balance sheet commitments	$ 728,986	$ 408,897	$ 198,928	$ 102,684	$ 1,439,495

(1) Includes $532.0 million of unconditionally cancellable commitments at March 31, 2021.

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, 2021	$ 647,150
Net income	25,513
Other comprehensive income, net of tax	(13,464)
Dividends declared - common stock ($0.10 per share)	(2,349)
Other	(495)
Balance at March 31, 2021	$ 656,355

Stock Repurchases

In July 2019, our board of directors authorized a stock buyback program pursuant to which we may, from time to time, purchase up to $40 million of our 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 buyback program is intended to expire in 2022, but may be terminated or amended by our board of directors at any time. The stock buyback program does not obligate us to purchase any shares at any time.

During the first quarter of 2021, the Company repurchased a total of 37,568 shares of its common stock pursuant to its stock buyback program at an average price per share of $33.42, for an aggregate purchase price of $1.3 million. Prior to 2021, the Company had cumulatively repurchased an aggregate 330,868 common stock shares for a total purchase price of $10.8 million under the stock buyback program. As of March 31, 2021, the Company's board of directors has approved approximately $28.0 million remaining to be purchased under the program.

Regulatory Capital Requirements

Together with the Bank, we are subject to various regulatory capital requirements administered by federal banking agencies. These requirements are discussed in greater detail in "*Item 1. Business - Regulation and Supervision*" included in our 2020 Form 10-K, filed with the SEC for further information. 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 March 31, 2021, and December 31, 2020, 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)	March 31, 2021		December 31, 2020	
Origin Bancorp, Inc.	**Amount**	**Ratio**	**Amount**	**Ratio**
Common equity Tier 1 capital (to risk-weighted assets)	$ 626,931	10.17 %	$ 604,306	9.95 %
Tier 1 capital (to risk-weighted assets)	636,315	10.32	613,682	10.11
Total capital (to risk-weighted assets)	858,644	13.92	837,058	13.79
Tier 1 capital (to average assets)	636,315	8.67	613,682	8.62
Origin Bank				
Common equity Tier 1 capital (to risk-weighted assets)	$ 660,585	10.74 %	$ 637,863	10.53 %
Tier 1 capital (to risk-weighted assets)	660,585	10.74	637,863	10.53
Total capital (to risk-weighted assets)	804,330	13.08	782,503	12.92
Tier 1 capital (to average assets)	660,585	9.02	637,863	8.99

Non-GAAP Financial Measures

Our accounting and reporting policies conform to GAAP and the prevailing practices in the banking industry. However, we provided other financial measures, such as pre-tax, pre-provision earnings, in this report that are considered “non-GAAP financial measures.” Generally, a non-GAAP financial measure is a numerical measure of a company’s financial performance, financial position or cash flows that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with GAAP.

We consider pre-tax, pre-provision earnings as presented in this report as an important measure of financial performance as it provides supplemental information that we use to evaluate our business, to assess underlying operational performance and to allow a comparison to prior periods without the impact of increases in the allowance for credit losses, and related income tax effects, associated with the impact of the COVID-19 pandemic.

We believe non-GAAP measures and ratios, when taken together with the corresponding GAAP measures and ratios, provide meaningful supplemental information regarding our performance and capital strength. We use, and believe that investors benefit from referring to, non-GAAP measures in assessing our operating results and related trends. However, non-GAAP measures should be considered in addition to, and not as a substitute for or preferable to, amounts prepared in accordance with GAAP. In the following table, we have provided a reconciliation of pre-tax, pre-provision earnings to the most comparable GAAP financial measure.

	Three Months Ended March 31,	
(Dollars in thousands)	**2021**	**2020**
Calculation of PTPP Earnings:		
Net Income	$ 25,513	$ 753
Plus: provision for credit losses	1,412	18,531
Plus: income tax expense	6,009	(427)
PTPP Earnings	$ 32,934	$ 18,857

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 of 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 balance sheet to minimize the inherent risk while at the same time maximizing income.

We manage exposure to interest rates by structuring the balance sheet in the ordinary course of business. Additionally, from time to time we enter into derivatives and futures contracts to mitigate interest rate risk from specific transactions. Based upon the nature of operations, we are not subject to foreign exchange or commodity price risk. We have entered into interest rate swaps to mitigate interest rate risk in limited circumstances, but it is not our policy to enter into such transactions on a regular basis.

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 include 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. Contractual maturities and re-pricing opportunities of loans are incorporated in the model as are prepayment assumptions, maturity data and call options within the investment portfolio. The average life of non-maturity deposit accounts is based on our balance retention rates using a vintage study methodology. 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 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 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 8.0% 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 declining interest rates in the near future. We are modeling outside of policy in the down 100 and down 200 basis point rate scenarios, and 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:

	March 31, 2021	
Change in Interest Rates (basis points)	% Change in Net Interest Income	% Change in Fair Value of Equity
+400	13.0 %	0.5 %
+300	9.0	(0.3)
+200	5.7	0.1
+100	2.4	0.3
Base		
-100	(9.4)	(3.1)
-200	(16.8)	0.1

We have found that, historically, interest rates on deposits change more slowly than changes in the discount and federal funds 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.

Impact of Inflation

Our consolidated financial statements and related notes included in this quarterly report on Form 10-Q have been prepared in accordance with U.S. GAAP. These require the measurement of financial position and operating results in terms of historical dollars, without considering changes in the relative value of money over time due to inflation or recession. Inflation generally increases the costs of funds and operating overhead, and to the extent loans and other assets bear variable rates, the yields on such assets. Unlike most industrial companies, virtually all of the assets and liabilities of a financial institution are monetary in nature. As a result, interest rates generally have a more significant effect on the performance of a financial institution than the effects of general levels of inflation. In addition, inflation affects a financial institution's cost of goods and services purchased, 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.

Market Risk

Regulators have encouraged banks to transition away from the use of the London Interbank Offered Rate ("LIBOR") as a reference rate. It is expected that the transition away from the widespread use of LIBOR to alternative rates will continue to occur over the course of the next twenty-four months. Please see "*Item 1A Risk Factors - Risks Related to Our Business"* included in our 2020 Form 10-K, filed with the SEC for further information.

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.

PART II: OTHER INFORMATION

Item 1. Legal Proceedings

Refer to *Note 12 - Commitments and Contingencies - Loss Contingencies* in the condensed notes to the 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

In evaluating an investment in the Company's securities, investors should consider carefully, among other things, the risk factors previously disclosed in Part I, Item 1A of our 2020 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

In July 2019, the Company's board of directors authorized a stock buyback program pursuant to which the Company may, from time to time, purchase up to $40 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 buyback program is intended to expire in 2022, but may be terminated or amended by the Company’s board of directors at any time. The stock buyback program does not obligate the Company to purchase any shares at any time. Due to the COVID-19 outbreak the Company did not repurchase any shares after the first quarter of 2020 through December 31, 2020.

The following table shows the Company's monthly stock repurchases during the quarter ended March 31, 2021.

(Dollars in thousands, except per share amounts)

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plan at the End of the Period
January 1, 2021 - January 31, 2021	—	$ —	—	$ 29,217
February 1, 2021 - February 28, 2021	31,368	33.07	31.368	28,180
March 1, 2021 - March 31, 2021	6,200	35.19	6,200	27,962

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

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	Bylaws (incorporated by reference to Exhibit 3.2 to the Company's Form 8-K filed April 28, 2020, (File No. 001-38487)).
10.1	Origin Bancorp, Inc. 2012 Stock Incentive Plan.
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 March 31, 2021, is formatted in XBRL: (i) the Unaudited Consolidated Balance Sheets, (ii) the Unaudited Consolidated Statements of Income, (iii) the Unaudited Consolidated Statements of Comprehensive Income, (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
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

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: May 5, 2021	By: **/s/ Drake Mills** Drake Mills Chairman, President and Chief Executive Officer
Date: May 5, 2021	By: **/s/ Stephen H. Brolly** Stephen H. Brolly Executive Vice President and Chief Financial Officer

Exhibit 10.1

ORIGIN BANCORP, INC.
2012 STOCK INCENTIVE PLAN

Restated Effective January 1, 2017

ORIGIN BANCORP, INC.
2012 STOCK INCENTIVE PLAN

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ORIGIN BANCORP, INC.
2012 STOCK INCENTIVE PLAN

ORIGIN BANCORP, INC. (formerly COMMUNITY TRUST FINANCIAL CORPORATION and hereinafter referred to as the “Company”) hereby restates the **ORIGIN BANCORP, INC. 2012 STOCK INCENTIVE PLAN** (formerly the COMMUNITY TRUST FINANCIAL CORPORATION 2012 STOCK INCENTIVE PLAN and hereinafter referred to as the “Plan”) for the benefit of eligible employees, officers and directors.

WITNESSETH:

WHEREAS, the Company established the Plan for the benefit of its eligible employees, officers and directors effective the 1st day of January, 2012; and

WHEREAS, the Plan may be amended by the board of directors of the Company at any time without stockholder approval provided such amendment does not increase the number of shares available under the Plan, expand the classes of individuals eligible to receive Stock Incentives or the types of awards available under the Plan and, provided further, such amendment does not adversely affect the rights of any Participant under a Stock Incentive; and

WHEREAS, the Plan was amended effective the 1st day of September, 2014, the 1st day of December 2014 and the 1st day of January, 2016; and

WHEREAS, the Company desires to restate the Plan to incorporate all prior amendments into the plan document.

NOW, THEREFORE, the Origin Bancorp, Inc. 2012 Stock Incentive Plan is hereby restated as follows:

ARTICLE I
PURPOSE AND EFFECTIVE DATE

1.1 Purpose. The purpose of the Plan is to (a) provide incentives to certain officers, employees, and directors of the Company and its Affiliates to stimulate their efforts toward the continued success of the Company and to operate and manage the business in a manner that will provide for the long-term growth and profitability of the Company; (b) encourage stock ownership by certain officers, employees, and directors, by providing them with a means to acquire a proprietary interest in the Company, acquire shares of Stock, or to receive compensation which is based upon appreciation in the value of Stock; and (c) provide a means of obtaining, rewarding and retaining officers, employees, and directors.

1.2 Effective Date. The Plan shall become effective as of January 1, 2012 (the “Effective Date”), subject to the approval of the Company’s stockholders. The effective date of this restatement is January 1, 2017.

ARTICLE II
DEFINITIONS

2.1 "Affiliate" means any entity, including a subsidiary, that directly or through one or more intermediaries controls, is controlled by, or is under common control with the Company, and with which the Company would be deemed a single employer under the provisions of Code Section 414(b) or 414(c).

2.2 "Board" means the board of directors of the Company.

2.3 "Cause" means:

(i) Grantee's commission of an act of fraud, embezzlement or other act of dishonesty that would reflect adversely on the integrity, character, or reputation of the Company or an Affiliate, or that would cause harm to customer relations, operations, or business;

(ii) Grantee's breach of a fiduciary duty owed to the Company or an Affiliate;

(iii) Grantee's unauthorized disclosure or use of confidential information or trade secrets;

(iv) Grantee's conviction of a felony or conviction of a misdemeanor which materially impairs Grantee's ability substantially to perform his duties; or

(v) Grantee's neglect or misconduct in the performance of duties and responsibilities, which is not cured within ten (10) days after the Company or an Affiliate gives Grantee written notice of such neglect or misconduct.

2.4 "Change in Control" means a change in ownership or effective control of the Company, or a change in the ownership of a substantial portion of the assets of the Company as defined for purposes of Code Section 409A in the rulings, regulations and other guidance issued thereunder as currently in effect and as may hereafter from time to time be amended.

2.5 "Code" means the Internal Revenue Code of 1986, as amended from time to time.

2.6 "Committee" means the committee appointed by the Board to administer the Plan, as more fully described in Article V.

2.7 "Company" means Origin Bancorp, Inc., a Louisiana corporation.

2.8 "Disability" has the same meaning as provided in the long-term disability plan or policy maintained or, if applicable, most recently maintained, by the Company or, if applicable, any Affiliate of the Company for the Participant. If no long-term disability plan or policy was ever maintained on behalf of the Participant or, if the determination of Disability relates to an Incentive Stock Option, Disability means that condition described in Code Section 22(e)(3), as amended from time to time. Notwithstanding the preceding, however, with respect to any Stock Incentive under the Plan that provides for a deferral of compensation subject to the provisions of Code Section 409A, Disability means the Participant is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or to last for a continuous period of not less than twelve (12) months, either (i) unable to engage in any substantial gainful activity or (ii) receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of the Company. In the event of a dispute, the determination of Disability will be made by the Committee and will be supported by advice of a physician competent in the area to which such Disability relates.

2.9 "Dividend Equivalent Rights" means certain rights to receive cash payments as described in Section 6.5.

2.10 "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

2.11 "Fair Market Value" refers to the determination of the value of a share of Stock as of a date, determined as follows:

(a) if the shares of Stock are actively traded on any national securities exchange or any nationally recognized quotation or market system (including, without limitation Nasdaq), Fair Market Value shall mean the closing price of the Stock on such date or, if such exchange was not open for trading on such date, on the trading day immediately preceding such date, as reported by any such exchange or system selected by the Committee on which the shares of Stock are then traded;

(b) if the shares of Stock are not actively traded on any such exchange or system, Fair Market Value shall mean the average of the closing high bid and low asked prices of the Stock on the over-the-counter market on such day, or in the absence of closing bids on such day, the closing bids on the next preceding day on which there were bids; or

(c) if the shares of Stock are not actively traded or reported on any exchange or system or over-the-counter markets, Fair Market Value shall mean the fair market value of a share of Stock as determined by the Committee taking into account such facts and circumstances deemed to be material by the Committee to the value of the Stock in the hands of the Participant, including but not limited to opinions of independent experts, the price at which recent sales have been made, the book value of the Stock and the Company's current and future earnings.

Notwithstanding the foregoing, for purposes of granting Non-Qualified Stock Options or Stock Appreciation Rights or any other award which provides for the deferral of compensation subject to Code Section 409A, Fair Market Value of the Stock shall be determined in accordance with the requirements of Code Section 409A and the rulings, treasury regulations and other guidance issued thereunder as currently in effect or as may subsequently be amended from time to time; and for purposes of granting Incentive Stock Options, Fair Market Value of the Stock shall be determined in accordance with the requirements of Code Section 422.

2.12 "Incentive Stock Option" means an incentive stock option under Code Section 422 and any regulations promulgated thereunder.

2.13 "Option" means a Non-Qualified Stock Option or an Incentive Stock Option granted pursuant to Section 6.2 hereof.

2.14 "Over 10% Owner" means an individual who, at the time an Incentive Stock Option is granted to such individual, owns Stock possessing more than 10% of the total combined voting power of the Company or one of its Subsidiaries, determined by applying the attribution rules of Code Section 424(d).

2.15 "Non-Qualified Stock Option" means an option to purchase Stock which is granted under the Plan and that is not an Incentive Stock Option.

2.16 "Participant" means an individual who receives an award of a Stock Incentive hereunder.

2.17 "Performance Unit Award" refers to a performance unit award as described in Section 6.6.

2.18 "Plan" means the Origin Bancorp, Inc. 2012 Stock Incentive Plan as established under the provisions hereof.

2.19 "Reload Option" means an Option awarded pursuant to Section 6.2(j) hereof.

2.20 "Restricted Stock Award" means an award of Stock subject to restrictions determined by the Committee as described in Section 6.4.

2.21 "Restricted Stock Units" refers to an award under the Plan as described in Section 6.7.

2.22 "Retirement" means a Grantee's Termination of Employment after attaining age sixty-five (65) for any reason other than due to death, Disability or an involuntary termination for Cause.

2.23 "Stock" means the Company's Five Dollar ($5.00) par value common stock.

2.24 "Stock Appreciation Right" means a stock appreciation right as described in Section 6.3.

2.25 "Stock Incentive Agreement" means an agreement between the Company and a participant or other documentation evidencing an award of a Stock Incentive under the Plan.

2.26 "Stock Incentives" means, collectively, Dividend Equivalent Rights, Incentive Stock Options, Non-Qualified Stock Options, Performance Unit Awards, Restricted Stock Awards, Restricted Stock Units and Stock Appreciation Rights.

2.27 "Termination of Employment" means the termination of the employment or other service relationship between a Participant and the Company and its Affiliates, regardless of whether severance or similar payments are made to the Participant, for any reason, including, but not by way of limitation, a termination by resignation, discharge, death, Disability or Retirement. The Committee will, in its absolute discretion, determine the effect of all matters and questions relating to a Termination of Employment as it affects a Stock Incentive, including, but not by way of limitation, the question of whether a leave of absence constitutes a Termination of Employment; provided, however, with respect to any Stock Incentive that provides for a deferral of compensation subject to the provisions of Code Section 409A, a leave of absence shall only constitute a Termination of Service to the extent and at such time as such leave of absence would be deemed to constitute a separation from service for purposes of Code Section 409A in the rulings, treasury regulation and other guidance issued thereunder as currently in effect or as may subsequently be amended from time to time.

ARTICLE III
ELIGIBILITY AND PARTICIPATION

3.1 Eligibility. Any employee, officer, or director of the Company or an Affiliate who is selected by the Committee is eligible to receive a Stock Incentive under this Plan; provided, however an Incentive Stock Option may only be granted to an employee of the Company or an Affiliate.

3.2 Participation. As a condition precedent to participation in the Plan, the employee, officer, or director selected by the Committee shall enter into a Stock Incentive Agreement with the Company agreeing to the terms and conditions of the Plan and the Stock Incentive awarded.

ARTICLE IV
STOCK SUBJECT TO PLAN

4.1 Types of Shares. The Stock subject to the provisions of this Plan shall either be shares of authorized but unissued Stock, shares of Stock held as treasury stock or previously issued shares of Stock reacquired by the Company, including shares purchased on the open market.

4.2 Aggregate Limit. Subject to adjustment in accordance with Section 9.2, seven hundred thousand (700,000) shares of Stock (the "Maximum Plan Shares") are hereby reserved exclusively for issuance upon an award of or exercise or payment pursuant to Stock Incentives under the Plan, all or any of which may be pursuant to any one or more Stock Incentives, including without limitation, Incentive Stock Options. The shares of Stock attributable to the nonvested, unpaid, unexercised, unconverted or otherwise unsettled portion of any Stock Incentive that is forfeited or cancelled or that expires or terminates for any reason without becoming vested, paid, exercised, converted or otherwise settled in full shall not count against this aggregate limit and shall again become available for grants of Stock Incentive awards under the Plan (unless the Participant received dividends or other economic benefits with respect to such shares of Stock, which dividends or other economic benefits are not forfeited, in which case such shares shall count against this aggregate limit).

4.3 Participant Limits. In the case of Incentive Stock Options, the aggregate Fair Market Value (determined as of the date an Incentive Stock Option is granted) of Stock with respect to which stock options intended to meet the requirements of Code Section 422 become exercisable for the first time by an individual during any calendar year under all plans of the Company and its Affiliates may not exceed $100,000; provided further, that if the limitation is exceeded, the Incentive Stock Option(s) which cause the limitation to be exceeded will be treated as Non-Qualified Stock Option(s).

ARTICLE V
ADMINISTRATION

5.1 Action of the Committee. The Plan shall be administered by a Committee. The Committee shall consist of such members as the Board shall from time to time determine which members are appointed by and subject to removal by the Board. The Committee shall select one of its members as its Chairman and shall hold its meetings at such times and places as it may determine. The Committee shall keep minutes of its meetings and shall make such rules and regulations for the conduct of its business as it may deem necessary. The Committee shall have the power to act by unanimous written consent in lieu of a meeting, and to meet telephonically. A majority of the members of the Committee shall constitute a quorum, and any action taken by a majority at a meeting at which a quorum is present, or any action taken without a meeting evidenced by a writing executed by all the members of the Committee, shall constitute the action of the Committee. In administering the Plan, the Committee's actions and determinations shall be binding on all interested parties.

5.2 Duties and Powers of the Committee. The Committee shall have the power to grant Stock Incentives in accordance with the provisions of the Plan and may grant Stock Incentives singly, in combination, or in tandem. Subject to the provisions of the Plan, the Committee shall have the sole discretion and authority to determine those individuals to whom Stock Incentives will be granted, the number of shares of Stock subject to each Stock Incentive, such other matters as are specified herein, and any other terms and conditions of a Stock Incentive, including, without limitation, any acceleration of vesting, exercise or payment and/or any other consequence under the Stock Incentive in the event of an occurrence of a Change in Control.

Except as otherwise required by the Plan, the Committee shall have authority to interpret and construe the provisions of this Plan and the Stock Incentive Agreements and make determinations pursuant to any Plan provision or Stock Incentive Agreement which shall be final and binding on all persons. To the extent not inconsistent with the provisions of the Plan or the Code and subject to the provisions of Section 6.9 hereof, the Committee may give a Participant an election to surrender a Stock Incentive in exchange for the grant of a new Stock Incentive, and shall have the authority to amend or modify an outstanding Stock Incentive Agreement, or to waive any provision thereof, provided that the Participant consents to such action.

5.3 Delegation. The Committee may designate any officers of the Company who are not members of the Committee to carry out its responsibilities under such conditions or limitations as it may set, other than (i) its authority with regard to Stock Incentives granted to an officer or director of the Company subject to the reporting requirements of Section 16 of the Exchange Act, and (ii) its discretionary authority to select Participants, award Stock Incentives and determine the terms and conditions of Stock Incentives and any amendments or modifications thereto.

5.4 No Liability. Neither any member of the Board nor any member of the Committee shall be liable to any person for any act or determination made in good faith with respect to the Plan or any Stock Incentive granted hereunder.

ARTICLE VI
TERMS OF STOCK INCENTIVES

6.1 Terms and Conditions of All Stock Incentives. The following provisions shall apply to all Stock Incentives awarded under the Plan:

(a) Shares Subject to Grant. The number of shares of Stock as to which a Stock Incentive may be granted will be determined by the Committee in its sole discretion, subject to the provisions of Section 4.2 as to the total number of shares available for grants under the Plan and subject to the participant limits in Section 4.3.

(b) Stock Incentive Agreement. Each Stock Incentive will be evidenced by a Stock Incentive Agreement in such form and containing such, terms, conditions and restrictions as the Committee may determine to be appropriate. Each Stock Incentive Agreement is subject to the terms of the Plan and any provisions contained in the Stock Incentive Agreement that are inconsistent with the Plan are null and void. The Committee may, but is not required to, structure any Stock Incentive so as to qualify as performance-based compensation under Code Section 162(m).

(c) Date of Grant. The date as of which a Stock Incentive is granted will be the date on which (i) the Committee has approved the terms and conditions of the Stock Incentive and has determined the recipient of the Stock Incentive and the number of shares covered by the Stock Incentive, and has taken all such other actions necessary to complete the grant of the Stock Incentive, and (ii) the Participant and Company have entered into and executed a Stock Incentive Agreement with respect to such award.

(d) Other Grants. Any Stock Incentive may be granted in connection with all or any portion of a previously or contemporaneously granted Stock Incentive. Exercise or vesting of a Stock Incentive granted in connection with another Stock Incentive may result in a pro rata surrender or cancellation of any related Stock Incentive, as specified in the applicable Stock Incentive Agreement.

(e) Transfer and Exercise. Stock Incentives are not transferable or assignable except by will or by the laws of descent and distribution and are exercisable, during the Participant's lifetime, only by the Participant; or in the event of the Disability of the Participant, by the legal representative of the Participant; or in the event of death of the Participant, by the legal representative of the Participant's estate or if no legal representative has been appointed, by the successor in interest determined under the Participant's will; except to the extent that the Committee may provide otherwise as to any Stock Incentives other than Incentive Stock Options.

(f) Modification. Subject to the provisions of Section 6.9, after the date of grant of a Stock Incentive, the Committee may, in its sole discretion, modify the terms and conditions of a Stock Incentive, except to the extent that such modification would be inconsistent with other provisions of the Plan or the Code or would adversely affect the rights of a Participant under the Stock Incentive (except as otherwise permitted under the Plan).

(g) Restrictive Covenants. Any Stock Incentive granted hereunder may be conditioned upon the agreement of the Grantee to such restrictive covenants, including but not limited to, confidentiality, non-solicitation of customers and non-solicitation of employees, as the Committee, in its discretion, shall determine. Such restrictive covenants shall apply during such period as the Grantee is employed by the Company and all Affiliates and for such period thereafter as the Committee shall determine. The restrictive covenants, if any, and the term or terms thereof shall be set forth in the Stock Incentive Agreement.

6.2 Terms and Conditions of Options. At the time any Option is granted, the Committee will determine whether the Option is to be an Incentive Stock Option described in Code Section 422 or a Non-Qualified Stock Option. Each Option granted under the Plan must be clearly identified as to its status as an Incentive Stock Option or a Non-Qualified Stock Option and the Stock Incentive Agreement shall reflect such status. Options awarded under the Plan shall be subject to the following terms and conditions:

(a) Option Price. Subject to adjustment in accordance with Section 9.2 and the other provisions of this Section 6.2, the exercise price (the "Exercise Price") per share of Stock purchasable under any Option shall be determined by the Committee in its sole discretion and must be set forth in the applicable Stock Incentive Agreement. In no event, however, may the Exercise Price be less than the Fair Market Value of the Stock subject to the Option on the date the Option is granted. Notwithstanding the preceding, with respect to each grant of an Incentive Stock Option to a Participant who is an Over 10% Owner, the Exercise Price may not be less than 110% of the Fair Market Value of the Stock subject to the Option on the date the Option is granted. Except as provided in Section 9.2, without approval of the Company's stockholders, the Exercise Price of an Option may not be amended or modified after the grant of the Option, and an Option may not be surrendered in consideration of, or in exchange for, the grant of a new Option having an Exercise Price below that of the Option that was surrendered.

(b) Option Term. Subject to the following sentence, the exercise period for each Option granted under the Plan shall be determined by the Committee in its sole discretion and specified in the Stock Incentive Agreement. Any Incentive Stock Option granted to a Participant who is not an Over 10% Owner is not exercisable after the expiration of ten (10) years after the date the Option is granted. Any Incentive Stock Option granted to an Over 10% Owner is not exercisable after the expiration of five (5) years after the date the Option is granted. The Committee may restrict the time of the exercise of any Options to specified periods as may be necessary to satisfy the requirements of Rule 16b-3 as promulgated under the Exchange Act.

(c) Exercise of Option. An Option shall be exercised by (i) delivery to the Company at its principal office of a written notice of exercise with respect to all or a specified number of shares of Stock subject to the Option and (ii) payment to the Company at that office of the full amount of the Exercise Price in accordance with the provisions of Subsection (d) below. If requested by a Participant, an Option may be exercised with the involvement of a stockbroker in accordance with the federal margin rules set forth in Regulation T (in which case the certificates representing the underlying shares of Stock will be delivered by the Company directly to the stockbroker).

(d) Payment. Payment for all shares of Stock purchased pursuant to the exercise of an Option may be made in any form or manner authorized by the Committee in the Stock Incentive Agreement or by amendment thereto, including, but not limited to, cash, certified check, bank draft, wire transfer, a postal or express money order. In addition, in the discretion of the Committee, payment of all or a portion of the Exercise Price may be made by:

(i) delivery to the Company of a number of shares of Stock which have been owned by the holder for at least six (6) months prior to the date of exercise having an aggregate Fair Market Value on the date of delivery of not less than the product of the Exercise Price multiplied by the number of shares of Stock the Participant intends to purchase upon exercise of the Option;

(ii) delivery of a properly executed notice of exercise to the Company together with irrevocable instructions (A) to a broker to deliver to the Company the sales proceeds with respect to the portion of the shares to be acquired upon exercise having a Fair Market Value on the date of exercise equal to the applicable portion of the Exercise Price being so paid and the appropriate tax withholding, or (B) to the Company to withhold from the shares to be acquired upon exercise, a number of shares having a Fair Market Value on the exercise date equal to the applicable portion of the Exercise Price being so paid and the appropriate tax withholding, except if and to the extent prohibited by law as to officers and directors, including without limitation, the Sarbanes Oxley Act of 2002, as amended;

(iii) any combination of forms and methods.

Payment must be made at the time that the Option or any part thereof is exercised, and no shares may be issued or delivered upon exercise of an Option until full payment has been made by the Participant.

(e) Special Conditions as to Incentive Stock Options. Incentive Stock Options may only be granted to employees of the Company or any Affiliate. At the time any Incentive Stock Option granted under the Plan is exercised, the Company will be entitled to legend the certificates representing the shares of Stock purchased pursuant to the Option to clearly identify them as representing the shares purchased upon the exercise of an Incentive Stock Option. An Incentive Stock Option may only be granted within ten (10) years from the earlier of the date the Plan is adopted or approved by the Company's stockholders.

(f) No Rights as a Stockholder. The holder of an Option, as such, has none of the rights of a stockholder of the Company.

(g) Conditions to the Exercise of an Option. Subject to Section 6.1(e) hereof, each Option granted under the Plan shall be exercisable by whom, at such time or times, or upon the occurrence of such event or events, and in such amounts, as the Committee determines in its sole discretion and specifies in the Stock Incentive Agreement. Subsequent to the grant of an Option and at any time before complete termination of such Option, the Committee may modify the terms of such Option to the extent not prohibited by or inconsistent with the other terms of the Plan, including, without limitation, accelerating the time or times at which such Option may be exercised in whole or in part, including, without limitation, upon a Change in Control (subject to the provisions of Section 6.9, if applicable), and may permit the Participant or any other designated person to exercise the Option, or any portion thereof, for all or part of the remaining Option term, notwithstanding any provision of the Stock Incentive Agreement to the contrary. In no event, however, shall any such modification adversely effect the rights of a Participant under such Option (except as otherwise permitted by the Plan).

(h) Termination of Incentive Stock Option. With respect to an Incentive Stock Option, in the event of Termination of Employment of a Participant, the Option or portion thereof held by the Participant which is unexercised will expire, terminate, and become unexercisable no later than the expiration of three (3) months after the date of Termination of Employment; provided, however, that in the case of a holder whose Termination of Employment is due to death or Disability, up to one (1) year may be substituted for such three (3) month period; provided, further that such time limits may be exceeded by the Committee under the terms of the grant, in which case, the Incentive Stock Option will be a Non-Qualified Option if it is exercised after the time limits that would otherwise apply. For purposes of this Subsection (h) Termination of Employment of the Participant will not be deemed to have occurred if the Participant is employed by another corporation (or a parent or subsidiary corporation of such other corporation) which has assumed the Incentive Stock Option of the Participant in a transaction to which Code Section 424(a) is applicable.

(i) Special Provisions for Certain Substitute Options. Notwithstanding anything to the contrary in this Section 6.2, any Option issued in substitution for an option previously issued by another entity, which substitution occurs in connection with a transaction to which Code Section 424(a) is applicable, may provide for an exercise price computed in accordance with such Code Section and the regulations thereunder and may contain such other terms and conditions as the Committee may prescribe to cause such substitute Option to contain as nearly as possible the same terms and conditions (including the applicable vesting and termination provisions) as those contained in the previously issued option being replaced thereby.

(j) Reload Options. The Committee may specify in a Stock Incentive Agreement granting an Option (or may otherwise determine in its sole discretion) that a Reload Option shall be granted, without further action of the Committee, (i) to a Participant who exercises an Option (including a Reload Option) by surrendering shares of Stock in payment of amounts specified in Section 6.2(c) and for the payment of withholding taxes pursuant to Section 9.1 hereof, (ii) for the same number of shares as are surrendered to pay such amounts, (iii) as of the date of such payment and at an Exercise Price equal to the Fair Market Value of the Stock on such date, and (iv) otherwise on the same terms and conditions as the Option whose exercise has occasioned such payment, except as provided below and subject to such other contingencies, conditions, or other terms as the Committee shall specify at the time such exercised Option is granted; provided, that the shares surrendered in payment as provided above must have been held by the Participant for at least six months prior to such surrender. Unless provided otherwise in the Stock Incentive Agreement, a Reload Option may not be exercised by a Participant (i) prior to the end of a one-year period from the date that the Reload Option is granted, and (ii) unless the Participant retains beneficial ownership of the shares of Stock issued to such Participant upon exercise of the Option which resulted in the granting of the Reload Option for a period of one year from the date of such exercise.

6.3 Terms and Conditions of Stock Appreciation Rights. A Stock Appreciation Right granted under the Plan shall entitle the Participant to receive the excess of (1) the Fair Market Value of a specified or determinable number of shares of the Stock at the time of payment or exercise over (2) a specified or determinable price which may not be less than the Fair Market Value of the Stock on the date of grant. A Stock Appreciation Right granted in connection with another Stock Incentive may only be exercised to the extent that the related Stock Incentive has not been exercised, paid or otherwise settled. Each Stock Appreciation Right shall be subject to the following terms and conditions:

(a) Settlement. Upon settlement of a Stock Appreciation Right, the Company must pay to the Participant the appreciation in cash or shares of Stock (valued at the aggregate Fair Market Value on the date of payment or exercise) as provided in the Stock Incentive Agreement or, in the absence of such provision, as the Committee may determine.

(b) Conditions to Exercise. The Committee may impose such conditions and restrictions on the exercise of a Stock Appreciation Right as it may deem appropriate. Each Stock Appreciation Right granted under the Plan shall be exercisable or payable at such time or times, or upon the occurrence of such event or events, and in such amounts as the Committee specifies in the Stock Incentive Agreement; provided, however, that the time or times or event or events must meet the requirements of Code Section 409A and the rulings, regulations and other guidance issued thereunder as currently in effect or as may subsequently be amended from time to time, including the provisions for delayed distribution to certain key employees (as defined in Code Section 416(i)), if applicable; and provided further the Committee may restrict the time of exercise to specific periods as may be necessary to satisfy the requirements of Rule 16b-3 as promulgated under the Exchange Act.

(c) No Repricing. Except as provided in Section 9.2, without the approval of the Company’s stockholders the price of a Stock Appreciation Right may not be amended or modified after the grant of the Stock Appreciation Right, and a Stock Appreciation Right may not be surrendered in consideration of, or in exchange for, the grant of a new Stock Appreciation Right having a price below that of the Stock Appreciation Right that was surrendered.

6.4 Terms and Conditions of Restricted Stock Awards. The number of shares of Stock subject to a Restricted Stock Award, the vesting and other restrictions or conditions on such shares, the restricted period and any dividend or voting rights during the restricted period will be as the Committee determines, and shall be set out in the Stock Incentive Agreement with respect to such award. The certificate(s) for such shares will bear evidence of any restrictions or conditions and will be held in escrow by the Company or other custodian as provided in Section 7.1 during the restricted period. The Committee may require a cash payment from the Participant in an amount no greater than the aggregate Fair Market Value of the shares of Stock awarded determined at the date of grant in exchange for the grant of a Restricted Stock Award or may grant a Restricted Stock Award without the requirement of a cash payment. During the restricted period, the Participant shall have no rights as a stockholder with respect to such shares, except such dividend and voting rights as may be provided under the Stock Incentive Agreement.

6.5 Terms and Conditions of Dividend Equivalent Rights. A Dividend Equivalent Right entitles the Participant to receive payments from the Company in an amount determined by reference to any cash dividends paid on a specified number of shares of Stock to Company stockholders of record during the period such rights are effective. The Committee may impose such restrictions and conditions on any Dividend Equivalent Right as the Committee in its discretion shall determine, including the date any such right shall terminate, and may reserve the right to terminate, amend or suspend any such right at any time. Each Dividend Equivalent Right shall be subject to the following terms and conditions:

(a) Payment. Payment in respect of a Dividend Equivalent Right may be made by the Company in cash or shares of Stock (valued at Fair Market Value as of the date payment is owed) as provided in the Stock Incentive Agreement or, in the absence of such provision, as the Committee may determine.

(b) Conditions to Payment. Each Dividend Equivalent Right granted under the Plan shall be payable at such time or times, or upon the occurrence of such event or events, and in such amounts, as the Committee specifies in the applicable Stock Incentive Agreement; provided, however, to the extent such Dividend Equivalent Right provides for the deferral of compensation subject to the provisions of Code Section 409A, such time or times or event or events of payment shall meet the distribution requirements of Code Section 409A and the rulings, regulations and other guidance issued thereunder as currently in effect or as subsequently may be amended from time to time, including the provisions for delayed distribution to certain key employees (as defined in Code Section 416(i)), if applicable; and provided further the Committee may restrict the time of exercise to specific periods as may be necessary to satisfy the requirements of Rule 16b-3 as promulgated under the Exchange Act.

6.6 Terms and Conditions of Performance Unit Awards. A Performance Unit Award shall entitle the Participant to receive, at a specified future date, payment of an amount equal to all or a portion of the value of a specified or determinable number of units (stated in terms of a designated or determinable dollar amount per unit) granted by the Committee. At the time of the grant, the Committee must determine the base value of each unit, the number of units subject to a Performance Unit Award, and the performance goals applicable to the determination of the ultimate payment value of the Performance Unit Award. The Committee may provide for an alternate base value for each unit under certain specified conditions. Each Performance Unit Award shall be subject to the following terms and conditions:

(a) Payment. Payment in respect of Performance Unit Awards may be made by the Company in cash or shares of Stock (valued at Fair Market Value as of the date payment is owed) as provided in the applicable Stock Incentive Agreement or, in the absence of such provision, as the Committee may determine.

(b) Conditions to Payment. Each Performance Unit Award granted under the Plan shall be payable at such time or times, or upon the occurrence of such event or events, and in such amounts, as the Committee may specify in the applicable Stock Incentive Agreement; provided, however, to the extent such Performance Unit Award provides for the deferral of compensation subject to the provisions of Code Section 409A, such time or times or event or events of payment shall meet the distribution requirements of Code Section 409A and the rulings, regulations and other guidance issued thereunder as currently in effect or as subsequent may be amended from time to time, including the provisions for delayed distribution to certain key employees (as defined in Code Section 416(i)), if applicable; and provided further the Committee may restrict the time of exercise to specific periods as may be necessary to satisfy the requirements of Rule 16b-3 as promulgated under the Exchange Act.

6.7 Terms and Conditions of Restricted Stock Units. Restricted Stock Units shall entitle the Participant to receive, at a specified future date or event, payment of an amount equal to all or a portion of the Fair Market Value of a specified number of shares of Stock at the end of a specified period. At the time of the grant, the Committee will determine the factors which will govern the portion of the Restricted Stock Units so payable, including, at the discretion of the Committee, any performance criteria that must be satisfied as a condition to payment. Restricted Stock Unit awards containing performance criteria may be designated as Performance Unit Awards. Restricted Stock Unit awards shall be subject to the following terms and conditions:

(a) Payment. Payment in respect of Restricted Stock Units may be made by the Company in cash or shares of Stock (valued at Fair Market Value as of the date payment is owed) as provided in the applicable Stock Incentive Agreement or, in the absence of such provision, as the Committee may determine.

(b) Conditions to Payment. Each Restricted Stock Unit granted under the Plan shall be payable at such time or times, or upon the occurrence of such event or events, and in such amounts, as the Committee may specify in the applicable Stock Incentive Agreement; provided, however, to the extent such Restricted Stock Unit provides for the deferral of compensation subject to the provisions of Code Section 409A, such time or times or event or events of payment shall meet the distribution requirements of Code Section 409A and the rulings, regulations and other guidance issued thereunder as currently in effect or as subsequent may be amended from time to time, including the provisions for delayed distribution to certain key employees (as defined in Code Section 416(i)), if applicable; and provided further the Committee may restrict the time of exercise to specific periods as may be necessary to satisfy the requirements of Rule 16b-3 as promulgated under the Exchange Act.

6.8 Treatment of Awards Upon Termination of Employment. Except as otherwise provided by Sections 6.2(h) and 6.9, any award under this Plan to a Participant who has experienced a Termination of Employment or termination of some other service relationship with the Company and its Affiliates may be cancelled, accelerated, paid or continued, as provided in the applicable Stock Incentive Agreement, or, as the Committee may otherwise determine to the extent not prohibited by or inconsistent with the provisions of the Plan. The portion of any award exercisable in the event of continuation or the amount of any payment due under a continued award may be adjusted by the Committee to reflect the Participant's period of service with the Company and/or an Affiliate from the date of grant through the date of the Participant's Termination of Employment or other service relationship or such other factors as the Committee determines are relevant to its decision to continue the award.

6.9 Deferred Compensation. Notwithstanding the Committee's discretion to determine the terms and conditions of each Stock Incentive under the Plan, with respect to each Stock Incentive granted under the Plan which provides for the deferral of compensation subject to the provisions of Code Section 409A, such terms and conditions, including, without limitation, the period or time of, or event or events triggering, exercise or payment of such Stock Incentive, shall comply with the provisions and requirements of Code Section 409A and the rulings, regulations and other guidance issued thereunder as currently in effect or as may subsequently be amended from time to time. Any authority granted to the Committee under the Plan to amend, modify, cancel, accelerate, continue or change in any way the terms and conditions of or a Participant's rights under a Stock Incentive subsequent to the date such Stock Incentive is granted under the Plan, shall be applicable to Stock Incentives which provide for the deferral of compensation only if, and to the extent provided in and allowable under Code Section 409A and such rulings, regulations and guidance thereunder without resulting in adverse tax consequences to the Participant.

ARTICLE VII
RESTRICTIONS ON STOCK

7.1 Escrow of Shares. Any certificates representing the shares of Stock issued under the Plan will be issued in the Participant's name, but, if the applicable Stock Incentive Agreement so provides, the shares of Stock will be held by the Company or by a custodian designated by the Committee (the "Custodian"). Each applicable Stock Incentive Agreement providing for the transfer of shares of Stock to a Custodian must appoint the Custodian as the attorney-in-fact for the Participant for the term specified in the applicable Stock Incentive Agreement, with full power and authority in the Participant's name, place and stead to transfer, assign and convey to the Company any shares of Stock held by the Custodian for such Participant, if the Participant forfeits the shares under the terms of the applicable Stock Incentive Agreement. Alternatively, the Stock Incentive Agreement may provide for the Participant simultaneously with the execution of the Stock Incentive Agreement, to deliver to the Company or the Custodian holding the Stock a stock power as to such Stock, endorsed in blank. During the period that the Company or Custodian holds the shares subject to this Section, the Participant shall be entitled to all rights, except as provided in the applicable Stock Incentive Agreement, applicable to shares of Stock not so held. Any dividends declared on shares of Stock held by the Company or Custodian must, as provided in the applicable Stock Incentive Agreement, be paid directly to the Participant or, in the alternative, be retained by the Custodian or by the Company until the expiration of the term specified in the applicable Stock Incentive Agreement and shall then be delivered, together with any proceeds, with the shares of Stock to the Participant or to the Company, as applicable.

7.2 Restrictions on Transfer. The Participant does not have the right to make or permit to exist any disposition of the shares of Stock issued pursuant to the Plan except as provided in the Plan or the applicable Stock Incentive Agreement. Any disposition of the shares of Stock issued under the Plan by the Participant not made in accordance with the Plan or the applicable Stock Incentive Agreement will be void. The Company will not recognize, or have the duty to recognize, any disposition not made in accordance with the Plan and the applicable Stock Incentive Agreement, and the shares so transferred will continue to be bound by the Plan and the applicable Stock Incentive Agreement.

ARTICLE VIII
TERMINATION AND AMENDMENT

8.1 Termination and Amendment. The Board at any time may amend or terminate the Plan without stockholder approval; provided, however, that the Board shall obtain stockholder approval for any amendment to the Plan that increases the number of shares of Stock available under the Plan, materially expands the classes of individuals eligible to receive Stock Incentives, materially expands the type of awards available for issuance under the Plan, or would otherwise require stockholder approval under the rules of any applicable exchange or under the Code.

8.2 Effect on Participants' Rights. No such termination or amendment without the consent of the holder of a Stock Incentive may adversely affect the rights of the Participant under such Stock Incentive. With respect to any Stock Incentive which provides for the deferral of compensation subject to the provisions of Code Section 409A, no termination or amendment of the Plan shall have the effect of accelerating the payment of any benefit or otherwise violating any provision of Section 409A and the rulings, regulations and other guidance thereunder as currently in effect or as may subsequently be amended from time to time.

ARTICLE IX
GENERAL PROVISIONS

9.1 Withholding. The Company must deduct from all cash payments under the Plan any taxes required to be withheld by federal, state or local government. Whenever the Company proposes or is required to issue or transfer shares of Stock under the Plan or upon the vesting of any Restricted Stock Award, the Company has the right to require the recipient to remit to the Company an amount sufficient to satisfy any federal, state and local tax withholding requirements, as a condition of and prior to the delivery of any certificate or certificates for such shares or the vesting of such Restricted Stock Award. A Participant may pay the withholding obligation in cash, or, if and to the extent the applicable Stock Incentive Agreement so provides, a Participant may elect to have the number of shares of Stock he is to receive reduced by, or tender back to the Company, the smallest number of whole shares of Stock which, when multiplied by the Fair Market Value of the shares of Stock determined as of the date such withholding is required is sufficient to satisfy federal, state and local, if any, withholding obligations arising from exercise or payment of a Stock Incentive.

9.2 Changes in Capitalization; Merger; Liquidation.

(a) The aggregate number of shares of Stock reserved for the grant of awards of Stock Incentives, for issuance upon the exercise or payment, as applicable, of each outstanding Stock Incentive and upon vesting of a Stock Incentive; the Exercise Price of each outstanding Option; and the specified number of shares of Stock to which each outstanding Stock Incentive pertains shall be proportionately adjusted for any increase or decrease in the number of issued shares of Stock resulting from a stock split, stock dividend, combination or exchange of shares, exchange for other securities, reclassification, reorganization, recapitalization or any other increase or decrease in the number of outstanding shares of Stock effected without consideration to the Company.

(b) In the event of a merger, consolidation, reorganization, extraordinary dividend, spin-off, sale of substantially all of the Company's assets, other change in capital structure of the Company, or tender offer for shares of Stock, the Committee may make such adjustments with respect to awards and take such other action as it deems necessary or appropriate, including, without limitation, the substitution of new awards, or the adjustment of outstanding awards, the acceleration of awards, the removal of restrictions on outstanding awards, or the termination of outstanding awards in exchange for the cash value determined in good faith by the Committee of the vested and/or unvested portion of the award, all as may be provided in the applicable Stock Incentive Agreement or, if not expressly addressed therein, as the Committee subsequently may determine in its sole discretion. Any adjustment pursuant to this Section 9.2 may provide, in the Committee's discretion, for the elimination without payment therefor of any fractional shares that might otherwise become subject to any Stock Incentive, but, except as set forth in this Section, may not otherwise diminish the then value of the Stock Incentive. Notwithstanding the foregoing, the Committee shall not have any of the foregoing powers with respect to a Stock Incentive which provides for the deferral of compensation subject to Section 409A except in the event of a Change in Control, in which event such powers shall be exercised in accordance with the provisions of such Section 409A and the rulings, regulations and other guidance issued thereunder as now in effect or as subsequently may be amended so as not to result in adverse tax consequences to any Participant under the provisions thereof.

(c) The existence of the Plan and the Stock Incentives granted pursuant to the Plan shall not affect in any way the right or power of the Company to make or authorize any adjustment, reclassification, reorganization or other change in its capital or business structure, any merger or consolidation of the Company, any issue of debt or equity securities having preferences or priorities as to the Stock or the rights thereof, the dissolution or liquidation of the Company, any sale or transfer of all or any part of its business or assets, or any other corporate act or proceeding.

9.3 Compliance with Code.

(a) All Incentive Stock Options to be granted hereunder are intended to comply with Code Section 422, and all provisions of the Plan and all Incentive Stock Options granted hereunder must be construed in such manner as to effectuate that intent.

(b) All Stock Incentives awarded under the Plan which provide for the deferral of compensation subject to the provisions of Code Section 409A are intended to comply, and to be operated and administered in all respects in compliance, with the provisions of that Section and the rulings, regulations and other guidance issued thereunder as currently in effect or as may subsequently be amended, and all provisions of the Stock Incentive Awards and of the Plan applicable thereto must be construed in a manner to effectuate that intent. In the event any provisions hereof or of a Stock Incentive Agreement is deemed to violate the requirements of Code Section 409A and such guidance issued thereunder, such provision shall be void and of no effect. In the event subsequent regulations, Internal Revenue Service rulings or other pronouncements or guidance interpreting or implementing the provisions of Section 409A of the Code affect any provisions hereof and/or the Stock Incentive Agreements, the Plan and/or the Stock Incentive Agreements shall be amended, as necessary, to comply with such regulation, ruling or other pronouncement or guidance; and, until adoption of any such amendment, the provisions hereof shall be construed and interpreted, to the extent possible, to comply with the applicable provisions of such regulation, ruling or other pronouncement or guidance as amended.

9.4 Right to Terminate Employment or Service. Nothing in the Plan or in any Stock Incentive Agreement confers upon any Participant the right to continue as an officer, employee or director of the Company or any of its Affiliates or affects the right of the Company or any of its Affiliates to terminate the Participant's employment or services at any time.

9.5 Non-Alienation of Benefits. Other than as provided herein, no benefit under the Plan may be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge; and any attempt to do so shall be void. No such benefit may, prior to receipt by the Participant, be in any manner liable for or subject to the debts, contracts, liabilities, engagements or torts of the Participant.

9.6 Restrictions on Delivery and Sale of Shares; Legends. Each Stock Incentive is subject to the condition that if at any time the Committee, in its discretion, shall determine that the listing, registration or qualification of the shares covered by such Stock Incentive upon any securities exchange or under any state or federal law is necessary or desirable as a condition of or in connection with the granting of such Stock Incentive or the purchase or delivery of shares thereunder, the delivery of any or all shares pursuant to such Stock Incentive may be withheld unless and until such listing, registration or qualification shall have been effected. If a registration statement is not in effect under the Securities Act of 1933 or any applicable state securities laws with respect to the shares of Stock purchasable or otherwise deliverable under Stock Incentives then outstanding, the Committee may require, as a condition of exercise of any Option or as a condition to any other delivery of Stock pursuant to a Stock Incentive, that the Participant or other recipient of a Stock Incentive represent, in writing, that the shares received pursuant to the Stock Incentive are being acquired for investment and not with a view to distribution and agree that the Shares will not be disposed of except pursuant to an effective registration statement, unless the Company shall have received an opinion of counsel that such disposition is exempt from such requirement under the Securities Act of 1933 and any applicable state securities laws. The Company may include on certificates representing shares delivered pursuant to a Stock Incentive such legends referring to the foregoing representations or restrictions or any other applicable restrictions on resale as the Company, in its discretion, shall deem appropriate.

9.7 Listing and Legal Compliance. The Committee may suspend the exercise or payment of any Stock Incentive so long as it determines that securities exchange listing or registration or qualification under any securities laws is required in connection therewith and has not been completed on terms acceptable to the Committee.

9.8 Stockholder Approval. The Plan must be submitted to the stockholders of the Company for their approval within twelve (12) months before or after the adoption of the Plan by the Board of the Company. If such approval is not obtained, any Stock Incentive granted hereunder will be void.

9.9 Choice of Law. The laws of the State of Louisiana shall govern the Plan, to the extent not preempted by federal law, without reference to the principles of conflict of laws.

9.10 Plan Binding on Successors. The Plan shall be binding upon the successors and assigns of the Company.

9.11 Singular, Plural; Gender. Whenever used herein, nouns in the singular shall include the plural, and the masculine pronoun shall include the feminine gender.

9.12 Headings, etc., No Part of Plan. Headings of Articles and Sections hereof are inserted for convenience and reference; they do not constitute part of the Plan.

IN WITNESS WHEREOF, the Company has executed this restated Plan this the 27 day of June, 2017.

ORIGIN BANCORP, INC.

By: /s/ Linda Tuten

Title: EVP / CP & DO

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: May 5, 2021

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, Stephen H. Brolly, 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: May 5, 2021

By: **/s/ Stephen Brolly**
Stephen H. Brolly
Executive Vice President 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 March 31, 2021, 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: May 5, 2021

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 March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Stephen H. Brolly, Executive Vice President 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: May 5, 2021

By: **/s/ Stephen Brolly**
Stephen H. Brolly
Executive Vice President and Chief Financial Officer