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

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended September 30, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

ARMOUR RESIDENTIAL REIT, INC.

(Exact name of registrant as specified in its charter)

Maryland	**001-34766**	**26-1908763**
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

3001 Ocean Drive, Suite 201, Vero Beach, FL 32963

(Address of principal executive offices)(zip code)

(772) 617-4340

(Registrant's telephone number, including area code)

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

Title of Each Class	Trading symbols	Name of Exchange on which registered
Preferred Stock, 7.00% Series C Cumulative Redeemable	ARR-PRC	New York Stock Exchange
Common Stock, $0.001 par value	ARR	New York Stock Exchange

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

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

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

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

If an emerging growth company, indicate by a 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 Exchange Act). Yes ☐ No ☒

The number of outstanding shares of the Registrant's common stock as of October 20, 2026 was 148,415,420.

ARMOUR Residential REIT, Inc.
TABLE OF CONTENTS

PART I. Financial Information	1
Item 1. Financial Statements	1
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	27
Item 3. Quantitative and Qualitative Disclosures about Market Risk	50
Item 4. Controls and Procedures	54
PART II. Other Information	55
Item 1. Legal Proceedings	55
Item IA. Risk Factors	55
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	55
Item 3. Defaults Upon Senior Securities	55
Item 4. Mine Safety Disclosures	55
Item 5. Other Information	55
Item 6. Exhibits	56
Signatures	57

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

ARMOUR Residential REIT, Inc.
CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(in thousands, except per share)

	September 30, 2026	December 31, 2025
Assets		
Cash and cash equivalents	$ 99,666	$ 63,270
Cash collateral posted to counterparties	34,209	226,701
Investments in securities, at fair value		
Agency Securities (including pledged securities of $19,659,303 ($9,764,715 with BUCKLER) at September 30, 2026 and $18,071,863 ($8,324,007 with BUCKLER) at December 31, 2025)	19,991,917	19,417,640
U.S. Treasury Securities (including pledged securities of $473,975 ($379,240 with BUCKLER) at September 30, 2026 and $598,109 ($498,438 with BUCKLER) at December 31, 2025)	473,975	598,109
Receivable for unsettled sales (including pledged securities of $350,147 ($158,151 with BUCKLER) at September 30, 2026)	411,773	—
Derivatives, at fair value	1,360,207	611,544
Accrued interest receivable	93,224	86,153
Prepaid and other	2,904	1,742
Total Assets	$ 22,467,875	$ 21,005,159
Liabilities and Stockholders' Equity		
Liabilities		
Repurchase agreements, net (including $9,644,292 and $8,426,540, at September 30, 2026 and December 31, 2025, respectively with BUCKLER)	$ 19,379,128	$ 17,941,796
Cash collateral posted by counterparties	649,513	419,427
Payable for unsettled purchases	—	302,094
Derivatives, at fair value	24,402	19,303
Accrued interest payable- repurchase agreements (including $29,701 and $27,752, at September 30, 2026 and December 31, 2025, respectively with BUCKLER)	58,291	59,267
Accounts payable and other accrued expenses	5,879	2,219
Total Liabilities	$ 20,117,213	$ 18,744,106
Commitments and contingencies (Note 8 and Note 13)		
Stockholders' Equity		
Preferred stock, $0.001 par value, 50,000 shares authorized; 7.00% Series C Cumulative Preferred Stock; 7,676 shares and 7,048 shares issued and outstanding ($25.00 per share liquidation preference) at September 30, 2026 and December 31, 2025, respectively	7	7
Common stock, $0.001 par value, 250,000 and 175,000 shares authorized; 148,415 shares and 111,915 shares issued and outstanding at September 30, 2026 and December 31, 2025, respectively.	148	112
Additional paid-in capital	6,094,073	5,446,152
Cumulative distributions to stockholders	(2,961,618)	(2,667,051)
Accumulated net loss	(781,948)	(518,167)
Total Stockholders' Equity	$ 2,350,662	$ 2,261,053
Total Liabilities and Stockholders' Equity	$ 22,467,875	$ 21,005,159

See consolidated financial statement notes (unaudited).

ARMOUR Residential REIT, Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(in thousands, except per share)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2026	2025	2026	2025
Interest Income:				
Interest Income	$ 274,342	$ 210,182	$ 787,413	$ 563,949
Interest expense (including $(93,128) and $(82,157) and $(260,192) and $(211,475), respectively with BUCKLER)	(190,599)	(171,665)	(556,137)	(455,986)
Net Interest Income	$ 83,743	$ 38,517	$ 231,276	$ 107,963
Other Income (Loss):				
Gain (Loss) on Agency Securities, trading, net	(1,165,185)	177,108	(1,390,404)	401,910
Gain (Loss) on U.S. Treasury Securities, net	(18,227)	6,197	(39,329)	(9,596)
Gain (Loss) on derivatives, net [1]	792,440	(49,287)	983,700	(348,527)
Total Other Income (Loss)	$ (390,972)	$ 134,018	$ (446,033)	$ 43,787
Expenses:				
Management fees	13,039	11,703	37,793	33,532
Compensation	1,480	926	3,596	2,626
Other operating	1,998	2,297	7,635	9,559
Total Expenses	$ 16,517	$ 14,926	$ 49,024	$ 45,717
Less management fees waived	—	(1,650)	—	(4,950)
Total Expenses after fees waived	$ 16,517	$ 13,276	$ 49,024	$ 40,767
Net Income (Loss)	$ (323,746)	$ 159,259	$ (263,781)	$ 110,983
Dividends on preferred stock	(3,326)	(3,003)	(9,765)	(9,006)
Net Income (Loss) available (related) to common stockholders	$ (327,072)	$ 156,256	$ (273,546)	$ 101,977
Net Income (Loss) per share available (related) to common stockholders (Note 11):				
Basic	$ (2.26)	$ 1.50	$ (2.09)	$ 1.16
Diluted	$ (2.26)	$ 1.49	$ (2.09)	$ 1.16
Dividends declared per common share	$ 0.72	$ 0.72	$ 2.16	$ 2.16
Weighted average common shares outstanding:				
Basic	144,564	104,318	131,176	87,886
Diluted	144,564	104,573	131,176	88,141

(1) Interest income and expense related to our interest rate swap contracts is recorded in gain (loss) on derivatives, net on the consolidated statements of operations. For additional information, see financial statement Note 7.

See consolidated financial statement notes (unaudited).

ARMOUR Residential REIT, Inc.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (UNAUDITED)
(in thousands)

	Shares		Par					
	Preferred Stock	Common Stock	Preferred Stock	Common Stock	Additional Paid-in Capital	Cumulative Distributions to Stockholders	Accumulated Net Loss	Total Stockholders'Equity
Balance, June 30, 2025	6,864	88,071	$ 7	$ 88	$5,053,048	$ (2,504,062)	$ (889,130)	$ 1,659,951
Net Income	—	—	—	—	—	—	159,259	159,259
Issuance of common stock, net	—	24,496	—	25	398,106	—	—	398,131
Stock based compensation, net of withholding requirements	—	15	—	—	570	—	—	570
Common stock repurchased	—	(684)	—	(1)	(9,915)	—	—	(9,916)
Preferred stock dividends	—	—	—	—	—	(3,003)	—	(3,003)
Common stock dividends	—	—	—	—	—	(76,196)	—	(76,196)
Balance, September 30, 2025	6,864	111,898	$ 7	$ 112	$5,441,809	$ (2,583,261)	$ (729,871)	$ 2,128,796
Balance, June 30, 2026	7,553	136,371	$ 7	$ 136	$5,890,026	$ (2,852,873)	$ (458,202)	$ 2,579,094
Net Loss	—	—	—	—	—	—	(323,746)	(323,746)
Issuance of Preferred stock, net	123	—	—	—	2,527	—	—	2,527
Issuance of common stock, net	—	12,368	—	12	205,732	—	—	205,744
Stock based compensation, net of withholding requirements	—	40	—	—	937	—	—	937
Common stock repurchased	—	(364)	—	—	(5,149)	—	—	(5,149)
Preferred stock dividends	—	—	—	—	—	(3,326)	—	(3,326)
Common stock dividends	—	—	—	—	—	(105,419)	—	(105,419)
Balance, September 30, 2026	7,676	148,415	$ 7	$ 148	$6,094,073	$ (2,961,618)	$ (781,948)	$ 2,350,662

Continued

ARMOUR Residential REIT, Inc.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (UNAUDITED)
(in thousands)

	Shares		Par					
	Preferred Stock	Common Stock	Preferred Stock	Common Stock	Additional Paid-in Capital	Cumulative Distributions to Stockholders	Accumulated Net Loss	Total Stockholders'Equity
Balance, December 31, 2024	6,847	62,412	$ 7	$ 62	$4,585,739	$ (2,383,539)	$ (840,854)	$ 1,361,415
Net Income	—	—	—	—	—	—	110,983	110,983
Issuance of Preferred stock, net	17	—	—	—	279	—	—	279
Issuance of common stock, net	—	50,796	—	51	874,181	—	—	874,232
Stock based compensation, net of withholding requirements	—	41	—	—	1,556	—	—	1,556
Common stock repurchased	—	(1,351)	—	(1)	(19,946)	—	—	(19,947)
Preferred stock dividends	—	—	—	—	—	(9,006)	—	(9,006)
Common stock dividends	—	—	—	—	—	(190,716)	—	(190,716)
Balance, September 30, 2025	6,864	111,898	$ 7	$ 112	$5,441,809	$ (2,583,261)	$ (729,871)	$ 2,128,796
Balance, December 31, 2025	7,048	111,915	$ 7	$ 112	$5,446,152	$ (2,667,051)	$ (518,167)	$ 2,261,053
Net Loss	—	—	—	—	—	—	(263,781)	(263,781)
Issuance of Preferred stock, net	628	—	—	—	13,002	—	—	13,002
Issuance of common stock, net	—	36,908	—	36	639,815	—	—	639,851
Stock based compensation, net of withholding requirements	—	81	—	—	2,266	—	—	2,266
Common stock repurchased	—	(489)	—	—	(7,162)	—	—	(7,162)
Preferred stock dividends	—	—	—	—	—	(9,765)	—	(9,765)
Common stock dividends	—	—	—	—	—	(284,802)	—	(284,802)
Balance, September 30, 2026	7,676	148,415	$ 7	$ 148	$6,094,073	$ (2,961,618)	$ (781,948)	$ 2,350,662

See consolidated financial statement notes (unaudited).

ARMOUR Residential REIT, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(in thousands)

	For the Nine Months Ended September 30, 2026	2025
Cash Flows Provided By (Used In) Operating Activities:		
Net Income (loss)	$ (263,781)	$ 110,983
Adjustments to reconcile net income (loss) to net cash and cash equivalents and cash collateral posted to counterparties provided by operating activities:		
Net (accretion) amortization of premium on Agency Securities	2,235	(1,176)
Net (accretion) amortization of U.S. Treasury Securities	(76)	132
(Gain) Loss on Agency Securities, trading, net	1,390,404	(401,910)
Loss on U.S. Treasury Securities, net	39,329	9,596
Stock based compensation	2,266	1,556
Changes in operating assets and liabilities:		
Increase in accrued interest receivable	(7,666)	(26,888)
Increase in prepaid and other assets	(1,162)	(1,256)
Change in derivatives, at fair value	(743,564)	367,416
Increase (decrease) in accrued interest payable- repurchase agreements	(976)	31,898
Decrease in accrued interest payable- U.S. Treasury Securities sold short	—	(3,801)
Increase in accounts payable and other accrued expenses	3,660	2,091
Net cash and cash equivalents and cash collateral posted to counterparties provided by operating activities	$ 420,669	$ 88,641
Cash Flows Provided By (Used In) Investing Activities:		
Purchases of Agency Securities	(6,467,149)	(7,669,859)
Purchases of U.S. Treasury Securities (includes $50,049 and $203,422 with BUCKLER, respectively)	(501,709)	(1,106,410)
Principal repayments of Agency Securities	2,035,765	1,038,458
Proceeds from sales of Agency Securities	1,751,196	1,341,698
Proceeds from sales of U.S. Treasury Securities (includes $49,000 and $100,502 with BUCKLER, respectively)	586,590	351,608
Disbursements on reverse repurchase agreements (includes $0 and $(1,860,188) with BUCKLER, respectively)	—	(2,268,875)
Receipts from reverse repurchase agreements (includes $0 and $2,307,250 with BUCKLER, respectively)	—	2,767,125
Decrease in cash collateral posted by counterparties	230,086	(380,237)
Net cash and cash equivalents and cash collateral posted to counterparties used in investing activities	$ (2,365,221)	$ (5,926,492)
Cash Flows Provided By (Used In) Financing Activities:		
Issuance of Series C Preferred stock, net of expenses	13,002	279
Issuance of common stock, net of expenses	639,804	874,195
Proceeds from repurchase agreements (including $60,497,426 and $64,158,045, respectively with BUCKLER)	124,246,399	106,444,574

(Continued)

ARMOUR Residential REIT, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(in thousands)

	For the Nine Months Ended September 30,	
	2026	2025
Principal repayments on repurchase agreements (including $(59,279,674) and $(62,334,995), respectively with BUCKLER)	(122,809,067)	(101,099,228)
Series C Preferred stock dividends paid	(9,765)	(9,006)
Common stock dividends paid	(284,755)	(190,679)
Common stock repurchased	(7,162)	(19,947)
Net cash and cash equivalents and cash collateral posted to counterparties provided by financing activities	$ 1,788,456	$ 6,000,188
Net increase (decrease) in cash and cash equivalents and cash collateral posted to counterparties	(156,096)	162,337
Cash and cash equivalents and cash collateral posted to counterparties - beginning of period	289,971	146,183
Cash and cash equivalents and cash collateral posted to counterparties - end of period	$ 133,875	$ 308,520
Supplemental Disclosure:		
Cash paid during the period for interest	$ 759,080	$ 507,495
Non-Cash Investing Activities:		
Receivable for unsettled sales	$ 411,773	$ 296,523
Payable for unsettled purchases	$ —	$ (72,933)

See consolidated financial statement notes (unaudited).

ARMOUR Residential REIT, Inc.
CONSOLIDATED FINANCIAL STATEMENT NOTES (UNAUDITED)
(in thousands, except per share)

Note 1 - Organization and Nature of Business Operations

References to "we," "us," "our," or the "Company" are to Armor Residential REIT, Inc. ("ARMOUR") and its subsidiary. References to "ACM" are to ARMOUR Capital Management LP, a Delaware limited partnership. ARMOUR owns a 10.8% equity interest in BUCKLER Securities LLC ("BUCKLER"). BUCKLER is a Delaware limited liability company and a FINRA-regulated broker-dealer. ACM and BUCKLER are under common control. Refer to the Glossary of Terms for definitions of capitalized terms and abbreviations used in this report. U.S. dollar and share amounts are presented in thousands, except per share amounts or as otherwise noted.

We are an externally managed Maryland corporation incorporated in 2008, managed by ACM, an investment advisor registered with the Securities and Exchange Commission (the "SEC"), (see Note 8 - Commitments and Contingencies and Note 13 - Related Party Transactions). We have elected to be taxed as a real estate investment trust ("REIT") under the Internal Revenue Code of 1986, as amended (the "Code"). Our qualification as a REIT depends on our ability to meet, on a continuing basis, various complex requirements under the Code relating to, among other things, the sources of our gross income, the composition and values of our assets, our distribution levels and the concentration of ownership of our capital stock. We believe that we are organized in conformity with the requirements for qualification as a REIT under the Code and our manner of operations enables us to meet the requirements for taxation as a REIT for federal income tax purposes. As a REIT, we will generally not be subject to federal income tax on the REIT taxable income that we currently distribute to our stockholders. If we fail to qualify as a REIT in any taxable year and do not qualify for certain statutory relief provisions, we will be subject to federal income tax at regular corporate rates. Even if we qualify as a REIT for U.S. federal income tax purposes, we may still be subject to some federal, state and local taxes on our income.

At September 30, 2026 and December 31, 2025, our investments in securities included mortgage backed securities ("MBS"), issued or guaranteed by a United States ("U.S.") Government-sponsored entity ("GSE"), such as the Federal National Mortgage Association ("Fannie Mae"), the Federal Home Loan Mortgage Corporation ("Freddie Mac"), or a government agency such as Government National Mortgage Administration ("Ginnie Mae") (collectively, "Agency Securities") and U.S. Treasury Securities. Our charter permits us to invest in MBS backed by fixed rate, hybrid adjustable rate and adjustable rate home loans as well as unsecured notes and bonds issued by GSEs, U.S. Treasuries and money market instruments.

Note 2 - Basis of Presentation and Consolidation

The accompanying unaudited condensed consolidated financial statements (the "unaudited consolidated financial statements") have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP") for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X promulgated by the SEC. Accordingly, the condensed financial statements do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and nine months ended September 30, 2026 are not necessarily indicative of the results that may be expected for the calendar year ending December 31, 2026. These unaudited consolidated financial statements should be read in conjunction with the audited financial statements and notes thereto included in our annual report on Form 10-K as of and for the year ended December 31, 2025.

The unaudited consolidated financial statements include the accounts of ARMOUR Residential REIT, Inc. and its subsidiary. All intercompany accounts and transactions have been eliminated. The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates affecting the accompanying consolidated financial statements include the valuation of MBS and derivative instruments.

ARMOUR Residential REIT, Inc.
CONSOLIDATED FINANCIAL STATEMENT NOTES (UNAUDITED)
(in thousands, except per share)

Note 3 - Summary of Significant Accounting Policies

Cash and cash equivalents

Cash and cash equivalents include cash on deposit and highly liquid short-term investments with financial institutions with original maturities of three months or less. We may maintain deposits in federally insured financial institutions in excess of federally insured limits. However, management believes we are not exposed to significant credit risk due to the financial position and creditworthiness of the depository institutions in which those deposits are held.

Cash Collateral Posted To/By Counterparties

Cash collateral posted to/by counterparties represents cash posted by us to counterparties or posted by counterparties to us as collateral. Cash collateral posted to/by counterparties may include collateral for interest rate swap contracts, interest rate swaptions, basis swap contracts, futures contracts, repurchase agreements on our MBS and our Agency Securities purchased or sold on a to-be-announced basis ("TBA Agency Securities").

The interest earned or paid on cash collateral posted to/by counterparties is recorded in gain on derivatives, net in the consolidated statements of operations.

Investments in Securities, at Fair Value

Our investments in securities are generally classified as trading securities. Management determines the appropriate classifications of the securities at the time they are acquired and evaluates the appropriateness of such classifications at each balance sheet date.

Trading Securities are reported at their estimated fair values with gains and losses included in Other Income (Loss) as a component of the consolidated statements of operations.

Receivables and Payables for Unsettled Sales and Purchases

We account for purchases and sales of securities on the trade date based on the specific identification method, including purchases and sales for forward settlement. Receivables and payables for unsettled trades represent the agreed trade price multiplied by the outstanding balance of the securities at the balance sheet date.

Accrued Interest Receivable and Payable

Accrued interest receivable includes interest accrued between payment dates on securities and interest on unsettled sales of securities. Accrued interest payable includes interest on unsettled purchases of securities and interest on repurchase agreements, net. At certain times, we may have interest payable on U.S. Treasury Securities sold short.

Repurchase Agreements, net

We finance the acquisition of the majority of our MBS using repurchase agreements. Our repurchase agreements are secured by our MBS and bear interest rates that have moved in close relationship to the Federal Funds Effective Rate ("Federal Funds Rate") and the Secured Overnight Financing Rate ("SOFR"). Under these repurchase agreements, we sell MBS to a lender and agree to repurchase the same MBS in the future for a price that is higher than the original sales price. The difference between the sales price that we receive and the repurchase price that we pay represents interest paid to the lender, which accrues over the life of the repurchase agreement. A repurchase agreement operates as a financing arrangement under which we pledge our MBS as collateral to secure a loan which is equal in value to a specified percentage of the estimated fair value of the pledged collateral. We retain beneficial ownership of the pledged collateral. At the maturity of a repurchase agreement, we are required to repay the loan and concurrently receive back our pledged collateral from the lender or, with the consent of the lender, we may renew such agreement at the prevailing interest rate. The

repurchase agreements may require us to pledge additional assets to the lender in the event the estimated fair value of the existing pledged collateral declines or allow us to take back certain pledged collateral if values increase.

In addition to the repurchase agreement financing discussed above, at certain times, we have entered into reverse repurchase agreements with certain of our repurchase agreement counterparties. Under a typical reverse repurchase agreement, we purchase U.S. Treasury Securities from a borrower in exchange for cash and agree to sell the same securities in the future in exchange for a price that is higher than the original purchase price. The difference between the purchase price originally paid and the sale price represents interest received from the borrower. Reverse repurchase agreement receivables and repurchase agreement liabilities are presented net when they meet certain criteria, including being with the same counterparty, being governed by the same master repurchase agreement ("MRA"), settlement through the same brokerage or clearing account and maturing on the same day. At September 30, 2026 and December 31, 2025 we did not have reverse repurchase agreements.

Obligations to Return Securities Received as Collateral, at Fair Value

We also sell to third parties the U.S. Treasury Securities received as collateral for reverse repurchase agreements and recognize the resulting obligation to return said U.S. Treasury Securities as a liability on our consolidated balance sheet. Interest is recorded on reverse repurchase agreements and U.S. Treasury Securities on an accrual basis and presented as net interest expense. Both parties to the transaction have the right to make daily margin calls based on changes in the fair value of the collateral received and/or pledged. At September 30, 2026 and December 31, 2025, we did not have obligations to return securities received as collateral associated with our reverse repurchase agreements.

Derivatives, at Fair Value

We recognize all derivatives individually as either assets or liabilities at fair value on our consolidated balance sheets. All changes in the fair values of our derivatives are reflected in our consolidated statements of operations. We designate derivatives as hedges for tax purposes and any unrealized derivative gains or losses would not affect our distributable net taxable income. These transactions may include interest rate swap contracts, interest rate swaptions, basis swap contracts and futures contracts.

We also may utilize forward contracts for the purchase or sale of TBA Agency Securities. We account for TBA Agency Securities as derivative instruments if it is reasonably possible that we will not take or make physical delivery of the Agency Security upon settlement of the contract. We account for TBA dollar roll transactions as a series of derivative transactions. We may also purchase and sell TBA Agency Securities as a means of investing in and financing Agency Securities (thereby increasing our “at risk” leverage) or as a means of disposing of or reducing our exposure to Agency Securities (thereby reducing our “at risk” leverage). We agree to purchase or sell, for future delivery, Agency Securities with certain principal and interest terms and certain types of collateral, but the particular Agency Securities to be delivered are not identified until shortly before the TBA settlement date. We may also choose, prior to settlement, to move the settlement of these securities out to a later date by entering into an offsetting short or long position (referred to as a “pair off”), net settling the paired off positions for cash, and simultaneously purchasing or selling a similar TBA Agency Security for a later settlement date. This transaction is commonly referred to as a “dollar roll.” When it is reasonably possible that we will pair off a TBA Agency Security, we account for that contract as a derivative.

Revenue Recognition

Interest income is earned and recognized on Agency Securities based on their unpaid principal amounts and their contractual terms. We record interest payable for interest received on securities sold during the period between the trade date and settlement date and interest receivable for purchases during the period between the trade date and settlement date. Premiums and discounts associated with the purchase of Multi-Family MBS, which are generally not subject to prepayment, are amortized or accreted into interest income over the contractual lives of the securities using a level yield method. Premiums and discounts associated with the purchase of other Agency Securities are amortized or accreted into interest income over the actual lives of the securities, reflecting actual prepayments as they occur. Purchase and sale

transactions (including TBA Agency Securities) are recorded on the trade date, based on the specific identification method, to the extent it is probable that we will take or make timely physical delivery of the related securities.

Interest income on U.S. Treasury Securities is recognized based on their unpaid principal amounts and their contractual terms. Recognition of interest income commences on the settlement date of the purchase transaction and continues through the settlement date of the sale transaction.

Note 4 - Fair Value of Financial Instruments

Our valuation techniques for financial instruments use observable and unobservable inputs. Observable inputs reflect readily obtainable data from third-party sources, while unobservable inputs reflect management's market assumptions. The Accounting Standards Codification Topic No. 820, "Fair Value Measurement," classifies these inputs into the following hierarchy:

Level 1 Inputs - Quoted prices for identical instruments in active markets.

Level 2 Inputs - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 Inputs - Prices determined using significant unobservable inputs. Unobservable inputs may be used in situations where quoted prices or observable inputs are unavailable (for example, when there is little or no market activity for an investment at the end of the period). Unobservable inputs reflect management's assumptions about the factors that market participants would use in pricing an asset or liability and would be based on the best information available.

The fair value of financial instruments is the amount that would be received to sell an asset or the amount to be paid to transfer the liability in a transaction between willing market participants on the measurement date. At the beginning of each period, we assess the assets and liabilities that are measured at fair value on a recurring basis to determine if any transfers between levels in the fair value hierarchy are needed.

The following describes the valuation methodologies used for our assets and liabilities measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy. Any transfers between levels are assumed to occur at the beginning of the reporting period.

Investments in Securities

Fair value for our investments in securities is based on obtaining a valuation for each security from third-party pricing services and/or dealer quotes. The third-party pricing services use common market pricing methods that may include pricing models that may incorporate such factors as coupons, prepayment speeds, spread to the Treasury curves and interest rate swap curves, duration, periodic and life caps and credit enhancement. If the fair value of a security is not available from the third-party pricing services or such data appears unreliable, we obtain pricing indications from up to three dealers who make markets in similar securities. Management reviews pricing used to ensure that current market conditions are properly reflected. This review includes, but is not limited to, comparisons of similar market transactions or alternative third-party pricing services, dealer pricing indications and comparisons to a third-party pricing model. Fair values obtained from the third-party pricing services for similar instruments are classified as Level 2 securities if the inputs to the pricing models used are consistent with the Level 2 definition. If quoted prices for a security are not reasonably available from the third-party pricing service, but dealer pricing indications are, the security will be classified as a Level 2 security. If neither is available, management will determine the fair value based on characteristics of the security that we receive from the issuer and based on available market information and classify it as a Level 3 security. U.S. Treasury Securities are classified as Level 1, as quoted unadjusted prices are available in active markets for identical assets.

ARMOUR Residential REIT, Inc.
CONSOLIDATED FINANCIAL STATEMENT NOTES (UNAUDITED)
(in thousands, except per share)

Derivatives

The fair values of our interest rate swap contracts, interest rate swaptions and basis swap contracts are valued using information provided by third-party pricing services that incorporate common market pricing methods that may include current interest rate curves, forward interest rate curves and market spreads to interest rate curves and are classified as Level 2. We estimate the fair value of TBA Agency Securities based on similar methods used to value our Agency Securities and they are classified as Level 2. Management compares the pricing information received to dealer quotes to ensure that the current market conditions are properly reflected. Futures contracts are traded on the Chicago Mercantile Exchange ("CME") which requires the use of daily mark-to-market collateral and they are classified as Level 1.

The following tables provide a summary of our assets and liabilities that are measured at fair value on a recurring basis at September 30, 2026 and December 31, 2025.

September 30, 2026	Level 1	Level 2	Level 3	Balance
Assets at Fair Value:				
Agency Securities	$ —	$ 19,991,917	$ —	$ 19,991,917
U.S. Treasury Securities	$ 473,975	$ —	$ —	$ 473,975
Derivatives	$ 227,881	$ 1,132,326	$ —	$ 1,360,207
Liabilities at Fair Value:				
Derivatives	$ —	$ 24,402	$ —	$ 24,402

December 31, 2025	Level 1	Level 2	Level 3	Balance
Assets at Fair Value:				
Agency Securities	$ —	$ 19,417,640	$ —	$ 19,417,640
U.S. Treasury Securities	$ 598,109	$ —	$ —	$ 598,109
Derivatives	$ 17,820	$ 593,724	$ —	$ 611,544
Liabilities at Fair Value:				
Derivatives	$ 93	$ 19,210	$ —	$ 19,303

There were no transfers of assets or liabilities between the levels of the fair value hierarchy during the nine months ended September 30, 2026 or for the year ended December 31, 2025.

Excluded from the tables above are financial instruments, including cash and cash equivalents, cash collateral posted to/by counterparties, receivables, payables (categorized as Level 1) and borrowings under repurchase agreements, net (categorized as Level 2), which are presented in our consolidated financial statements at carrying amount, which approximates fair value at September 30, 2026 and December 31, 2025.

Note 5 - Investments in Securities

As of September 30, 2026 and December 31, 2025, our securities portfolio consisted of $20,465,892 and $20,015,749 of trading securities, at fair value, respectively.

We also had $804,760 and $0 of TBA Agency Securities, at fair value, which were reported at net carrying value of $(24,401) and $0, respectively, at September 30, 2026 and December 31, 2025. TBA Securities are reported in Derivatives, at fair value on our consolidated balance sheets (see Note 7 - Derivatives). The net carrying value of our TBA Agency Securities represents the difference between the fair value of the underlying Agency Security in the TBA contract and the cost basis or the forward price to be paid or received for the underlying Agency Security.

ARMOUR Residential REIT, Inc.
CONSOLIDATED FINANCIAL STATEMENT NOTES (UNAUDITED)
(in thousands, except per share)

The tables below present the components of the carrying value and the unrealized gain or loss position of our investments in securities at September 30, 2026 and December 31, 2025.

September 30, 2026	Principal Amount	Amortized Cost	Gross Unrealized Loss	Gross Unrealized Gain	Fair Value
Agency Securities	$ 21,411,666	$ 21,189,942	$ (1,198,025)	$ —	$ 19,991,917
U.S. Treasury Securities	500,000	498,837	(24,862)	—	473,975
Totals	$ 21,911,666	$ 21,688,779	$ (1,222,887)	$ —	$ 20,465,892

December 31, 2025	Principal Amount	Amortized Cost	Gross Unrealized Loss	Gross Unrealized Gain	Fair Value
Agency Securities	$ 19,380,804	$ 19,257,086	$ (87,828)	$ 248,382	$ 19,417,640
U.S. Treasury Securities	600,000	598,760	(1,078)	427	598,109
Totals	$ 19,980,804	$ 19,855,846	$ (88,906)	$ 248,809	$ 20,015,749

The following table summarizes the weighted average lives of our investments in securities at September 30, 2026 and December 31, 2025.

	September 30, 2026		December 31, 2025	
Weighted Average Life	Fair Value	Amortized Cost	Fair Value	Amortized Cost
< 1 year	$ —	$ —	$ —	$ —
≥ 1 year and < 3 years	—	—	1,934,537	1,910,316
≥ 3 years and < 5 years	648,954	679,929	8,305,993	8,201,320
≥ 5 years	19,816,938	21,008,850	9,775,219	9,744,210
Totals	$ 20,465,892	$ 21,688,779	$ 20,015,749	$ 19,855,846

We use a third-party model to calculate the weighted average lives of our investments in securities. Weighted average life is calculated based on expectations for estimated prepayments for the underlying mortgage loans of our investments in securities. These estimated prepayments are based on assumptions such as interest rates, current and future home prices, housing policy and borrower incentives. The weighted average lives of our investments in securities at September 30, 2026 and December 31, 2025 in the table above are based upon market factors, assumptions, models and estimates from the third-party model and also incorporate management's judgment and experience. The actual weighted average lives of these securities could be longer or shorter than estimated.

Note 6 - Repurchase Agreements, net

At September 30, 2026, we had active MRAs with 37 counterparties and had $19,379,128 in outstanding borrowings with 25 of those counterparties. At December 31, 2025, we had MRAs with 35 counterparties and had $17,941,796 in outstanding borrowings with 22 counterparties.

The following tables represent the contractual repricing regarding our repurchase agreements to finance MBS and Treasury purchases at September 30, 2026 and December 31, 2025. Our repurchase agreements require excess collateral, known as a "haircut." At September 30, 2026, the average haircut percentage was 2.48% compared to 2.63% at December 31, 2025. The haircut for our repurchase agreements vary by counterparty and therefore, the changes in the average haircut percentage will vary with the changes in our counterparty repurchase agreement balances.

ARMOUR Residential REIT, Inc.
CONSOLIDATED FINANCIAL STATEMENT NOTES (UNAUDITED)
(in thousands, except per share)

September 30, 2026	Balance	Weighted Average Contractual Rate	Weighted Average Maturity in days
≤ 30 days	$ 19,379,128	3.92 %	13
Total or Weighted Average	$ 19,379,128	3.92 %	13

December 31, 2025	Balance	Weighted Average Contractual Rate	Weighted Average Maturity in days
≤ 30 days	$ 17,941,796	4.01 %	15
Total or Weighted Average	$ 17,941,796	4.01 %	15

Our repurchase agreements require that we maintain adequate pledged collateral. A decline in the value of the MBS pledged as collateral for borrowings under repurchase agreements could result in the counterparties demanding additional collateral pledges or liquidation of some of the existing collateral to reduce borrowing levels. We manage this risk by maintaining an adequate balance of available cash and unpledged securities. An event of default or termination event under the standard MRA would give our counterparty the option to terminate all repurchase transactions existing with us and require any amount due to be payable immediately. In addition, certain of our MRAs contain a restriction that prohibits our leverage from exceeding twelve times our stockholders' equity as well as termination events in the case of significant reductions in equity capital. We also may receive cash or securities as collateral from our derivative counterparties which we may use as additional collateral for repurchase agreements. Certain interest rate swap contracts provide for cross collateralization and cross default with repurchase agreements and other contracts with the same counterparty.

At September 30, 2026 and December 31, 2025, BUCKLER accounted for 49.8% and 47.0% of our aggregate borrowings and had an amount at risk of 8.0% and 7.1%, respectively, of our total stockholders' equity with a weighted average maturity of 9 days and 13 days, respectively, on repurchase agreements, net (see Note 13 - Related Party Transactions).

In addition, at September 30, 2026, we had 2 repurchase agreement counterparties that individually accounted for over 5% of our aggregate borrowings. In total, these counterparties accounted for approximately 10.2% of our repurchase agreement borrowings outstanding at September 30, 2026. At December 31, 2025, we had 2 repurchase agreement counterparties that individually accounted for over 5% of our aggregate borrowings. In total, these counterparties accounted for 12.1% of our repurchase agreement borrowings at December 31, 2025.

Note 7 - Derivatives

We enter into derivative transactions to manage our interest rate risk and agency mortgage rate exposures. We have agreements with our derivative counterparties that provide for the posting of collateral based on the fair values of our derivatives. Through this margin process, either we or our counterparties may be required to pledge cash or securities as collateral. Collateral requirements vary by counterparty and change over time based on the fair value, notional amount and remaining term of the contracts. Certain contracts provide for cross collateralization and cross default with repurchase agreements and other contracts with the same counterparty.

Interest rate swap contracts are designed to lock in long-term average funding costs for repurchase agreements associated with our assets in an attempt to maximize earnings from our assets. Such transactions are based on assumptions about prepayments which, if not realized, will cause transaction results to differ from expectations. Interest rate swaptions generally provide us with the option to enter into an interest rate swap agreement at a certain point of time in the future with a predetermined notional amount, stated term and stated rate of interest in the fixed leg and interest rate index on the floating leg. Basis swap contracts allow us to exchange one floating interest rate basis for another, thereby allowing us to diversify our floating rate basis exposures.

ARMOUR Residential REIT, Inc.
CONSOLIDATED FINANCIAL STATEMENT NOTES (UNAUDITED)
(in thousands, except per share)

All of our interest rate contracts have floating leg interest rate indexes of either the Federal Funds Rate or SOFR. The Federal Funds Rate is published daily by the New York Federal Reserve and is a measure of unsecured borrowings by depository institutions from other depository institutions or GSEs. SOFR is published daily by the New York Federal Reserve and is the average overnight rate for borrowings secured by U.S. Treasury securities. We enter into interest rate swap contracts either directly with a counterparty (a “bilateral” contract) or through a centrally-cleared swap contract. In a bilateral contract, we exchange margin collateral with the counterparty and have exposure to counterparty risk. In a centrally-cleared contract, we exchange margin collateral with a Futures Clearing Merchant, with whom we have opened an account. Our counterparty risk is limited to the clearing exchange itself. All of our centrally-cleared swaps are cleared by the CME. In general, centrally-cleared interest rate swap contracts require us to post higher initial margin than bilateral contracts.

Futures contracts are traded on the CME which requires the use of daily mark-to-market collateral and the CME provides substantial credit support. The collateral requirements of the CME require us to pledge assets under a bi-lateral margin arrangement, including either cash or Agency Securities and these requirements may vary and change over time based on the market value, notional amount and remaining term of the futures contracts. In the event we are unable to meet a margin call under one of our futures contracts, the counterparty to such agreement may have the option to terminate or close-out all of the outstanding futures contracts with us. In addition, any close-out amount due to the counterparty upon termination of the counterparty’s transactions would be immediately payable by us pursuant to the applicable agreement.

TBA Agency Securities are forward contracts for the purchase (“long position”) or sale (“short position”) of Agency Securities at a predetermined price, face amount, issuer, coupon and stated maturity on an agreed-upon future date. The specific Agency Securities delivered into the contract upon the settlement date, published each month by the Securities Industry and Financial Markets Association, are not known at the time of the transaction. We may enter into TBA Agency Securities as a means of hedging against short-term changes in interest rates. We may also enter into TBA Agency Securities as a means of acquiring or disposing of Agency Securities and we may from time to time utilize TBA dollar roll transactions to finance Agency Security purchases. We estimate the fair value of TBA Agency Securities based on similar methods used to value our Agency Securities.

We have netting arrangements in place with all derivative counterparties pursuant to standard documentation developed by ISDA. We are also required to post or hold cash collateral based upon the net underlying market value of our open positions with the counterparty. A decline in the value of the open positions with the counterparty could result in the counterparties demanding additional collateral pledges or liquidation of some of the existing collateral to reduce borrowing levels. We manage this risk by maintaining an adequate balance of available cash and unpledged securities. An event of default or termination event under the standard ISDA agreement would give our counterparty to the applicable agreement the right to terminate the agreement. In addition, certain of our ISDA agreements contain a restriction that prohibits our leverage from exceeding twelve times our stockholders’ equity as well as termination events in the case of significant reductions in equity capital.

ARMOUR Residential REIT, Inc.
CONSOLIDATED FINANCIAL STATEMENT NOTES (UNAUDITED)
(in thousands, except per share)

The following tables present information about the potential effects of netting our derivatives if we were to offset the assets and liabilities on the accompanying consolidated balance sheets. We currently present these financial instruments at their gross amounts and they are included in Derivatives, at fair value on the accompanying consolidated balance sheets at September 30, 2026 and December 31, 2025.

		Gross Amounts Not Offset		
Assets	**Gross Amounts [1]**	**Financial Instruments**	**Cash Collateral**	**Total Net**
September 30, 2026				
Interest rate swap contracts [2]	$ 1,132,326	$ —	$ (546,700)	$ 585,626
Futures contracts	227,881	—	(83,363)	144,518
TBA Agency Securities	—	—	—	—
Totals	$ 1,360,207	$ —	$ (630,063)	$ 730,144
December 31, 2025				
Interest rate swap contracts [2]	$ 593,724	$ (19,210)	$ (244,878)	$ 329,635
Futures contracts	17,820	(93)	53,210	70,937
Totals	$ 611,544	$ (19,303)	$ (191,668)	$ 400,572

(1) See Note 4 - Fair Value of Financial Instruments for additional discussion.

(2) Includes $454,280 and $15,329 of centrally-cleared interest rate swap contracts, respectively.

		Gross Amounts Not Offset		
Liabilities	**Gross Amounts [1]**	**Financial Instruments**	**Cash Collateral**	**Total Net**
September 30, 2026				
TBA Agency Securities	$ (24,402)	$ —	$ 10,329	$ (14,073)
Totals	$ (24,402)	$ —	$ 10,329	$ (14,073)
December 31, 2025				
Interest rate swap contracts [2]	$ (19,210)	$ 19,210	$ —	$ —
Futures contracts	(93)	93	—	—
Totals	$ (19,303)	$ 19,303	$ —	$ —

(1) See Note 4 - Fair Value of Financial Instruments for additional discussion.

(2) Includes $(19,210) of centrally-cleared interest rate swap contracts.

ARMOUR Residential REIT, Inc.
CONSOLIDATED FINANCIAL STATEMENT NOTES (UNAUDITED)
(in thousands, except per share)

The following table represents the information regarding our derivatives which are included in Gain (Loss) on derivatives, net in the accompanying consolidated statements of operations for the three and nine months ended September 30, 2026 and September 30, 2025.

	Income (Loss) Recognized			
	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
Derivatives	2026	2025	2026	2025
Interest rate swap contracts [1]	$ 515,117	$ (17,232)	$ 697,219	$ (233,797)
Futures contracts	311,684	(32,605)	326,019	(121,698)
TBA Agency Securities	(34,361)	550	(39,538)	6,968
Total Gain (Loss) on Derivatives, net	$ 792,440	$ (49,287)	$ 983,700	$ (348,527)

(1) Includes $386,658 and $(17,173) and $491,072 and $(128,745) of centrally-cleared interest rate swap contract income (loss) for the three and nine months ended September 30, 2026 and September 30, 2025, respectively.

The following tables present information about our derivatives at September 30, 2026 and December 31, 2025. We did not have any TBA Agency Securities at December 31, 2025.

Interest Rate Swap Contracts [1]	Notional Amount	Weighted Average Remaining Term (Months)	Weighted Average Rate
September 30, 2026			
< 3 years	$ 7,547,000	20	3.17 %
≥ 3 years and < 5 years	3,952,000	50	1.49 %
≥ 5 years and < 7 years	1,965,000	73	2.98 %
≥ 7 years and < 10 years	2,265,000	108	3.86 %
≥ 10 years	1,225,000	175	4.37 %
Total or Weighted Average [2]	$ 16,954,000	56	2.93 %
December 31, 2025			
< 3 years	$ 6,475,000	25	3.02 %
≥ 3 years and < 5 years	1,802,000	52	0.53 %
≥ 5 years and < 7 years	2,400,000	69	1.43 %
≥ 7 years and < 10 years	1,350,000	111	3.73 %
≥ 10 years	300,000	176	3.96 %
Total or Weighted Average [3]	$ 12,327,000	51	2.44 %

(1) Pay Fixed/Receive Variable.

(2) Of this amount, $12,073,000 notional are SOFR based swaps, the last of which matures in 2041; and $4,881,000 notional are Federal Funds based swaps, the last of which matures in 2032. Of this amount, $11,873,000 notional are centrally-cleared interest rate swap contracts, the last of which matures in 2041.

(3) Of this amount, $7,393,000 notional are SOFR based swaps, the last of which matures in 2040; and $4,934,000 notional are Federal Funds based swaps, the last of which matures in 2032. Of this amount, $7,193,000 notional are centrally-cleared interest rate swap contracts, the last of which matures in 2040.

ARMOUR Residential REIT, Inc.
CONSOLIDATED FINANCIAL STATEMENT NOTES (UNAUDITED)
(in thousands, except per share)

TBA Agency Securities	Notional Amount	Cost Basis	Fair Value
September 30, 2026			
30 Year Long, 5.5%	$ 400,000	$ 393,762	$ 381,083
30 Year Long, 6.0%	330,000	332,787	323,228
30 Year Long, 6.5%	100,000	102,613	100,449
Total TBA Agency Securities	$ 830,000	$ 829,162	$ 804,760

Note 8 - Commitments and Contingencies

Management

The Company is managed by ACM, pursuant to a management agreement (see also Note 13 - Related Party Transactions). The management agreement entitles ACM to receive management fees payable monthly in arrears. Currently, the monthly management fee is 1/12th of the sum of (a) 1.5% of gross equity raised up to $1.0 billion plus (b) 0.75% of gross equity raised in excess of $1.0 billion. Gross equity raised includes the total amounts of paid in capital relating to both our common and preferred stock, before deduction of brokerage commissions and other costs of capital raising. Amounts paid to stockholders to repurchase stock, before deduction of brokerage commissions and costs, reduces gross equity raised. Dividends specifically designated by the Board as liquidation dividends will reduce the amount of gross equity raised. To date, the Board has not so designated any of the dividends paid by the Company. Realized and unrealized gains and losses do not affect the amount of gross equity raised. At September 30, 2026, the effective management fee was 0.87%, based on gross equity raised of $6,017,634.

During the three and nine months ended September 30, 2025, ACM voluntarily waived management fees of $1,650 and $4,950, respectively. On December 22, 2025, ACM notified ARMOUR that they were terminating the voluntarily waiver. The termination of the waiver was effective for the contractual management fee that became due and payable after February 1, 2026 (relating to services for the month of January 2026). This waiver did not constitute a waiver of any other amounts due to ACM from ARMOUR under the management agreement or otherwise, including but not limited to any expense reimbursements, any amounts calculated by reference to the contractual Base Management Fee, or any awards under the 2009 Stock Incentive Plan (as amended, the “Plan”).

On March 30, 2026, the Company extended the contractual term of the management agreement through March 31, 2033. Based on the management fee base, gross equity raised, as of September 30, 2026, the Company’s contractual management fee commitments are:

Year	Contractual Management Fee
Remainder of 2026	13,158
2027	52,632
2028	52,632
2029	52,632
2030	52,632
2031	52,632
2032	52,632
2033	52,632
Total	$ 381,582

The Company cannot voluntarily terminate the management agreement without cause before the expiration of its contractual term. If the management agreement is terminated in connection with a liquidation of the Company or certain business combination transactions, the Company is obliged to pay ACM a termination fee equal to 4 times the contractual management fee (before any waiver) for the preceding 12 months.

Indemnifications and Litigation

We enter into certain contracts that contain a variety of indemnifications, principally with ACM and underwriters, against third-party claims for errors and omissions in connection with their services to us. We have not incurred any costs to defend lawsuits or settle claims related to these indemnification agreements. As a result, the estimated fair value of these agreements, as well as the maximum amount attributable to past events, is not material. Accordingly, we have no liabilities recorded for these agreements at September 30, 2026 and December 31, 2025.

Note 9 - Stock Based Compensation

We adopted the Plan to attract, retain and reward directors and other persons who provide services to us in the course of operations. The Plan authorizes the Board to grant awards including common stock, restricted shares of common stock (“RSUs”), stock options, performance shares, performance units, stock appreciation rights and other equity and cash-based awards (collectively, “Awards”), subject to terms as provided in the Plan. On April 30, 2026, at the Company's 2026 annual meeting of stockholders, the Plan was amended to increase the aggregate number of shares available for issuance under the Plan by 1,000 shares of common stock from 800 shares to 1,800 shares of common stock. At September 30, 2026, there were 383 shares available for future issuance under the Plan.

Transactions related to awards for the nine months ended September 30, 2026 are summarized below:

	September 30, 2026	
	Number of Awards	Weighted Average Grant Date Fair Value per Award
Unvested RSU Awards Outstanding at December 31, 2025	325	$ 23.37
Granted [1]	620	$ 16.92
Vested	(105)	$ 23.99
Unvested RSU Awards Outstanding at September 30, 2026	840	$ 18.53

(1) During the nine months ended September 30, 2026, 500 RSUs were granted to our executive officers and other ACM employees and approximately 120 RSUs were granted to the Board.

At September 30, 2026, there was approximately $15,565 of unvested stock based compensation related to the Awards (based on a weighted grant date price of $18.53 per share), which we expect to recognize as an expense as follows: for the remainder of 2026 an expense of $1,006, in 2027 an expense of $3,699, and thereafter an expense of $10,860. Our policy is to account for forfeitures as they occur. We also pay each of our non-executive Board members quarterly fees of $33, which are payable in cash, common stock, RSUs or a combination of common stock, RSUs and cash at the option of the director. Non-executive Board members have the option to participate in the Company's Non-Management Director Compensation and Deferral Program (the "Deferral Program"). The Deferral Program permits non-executive Board members to elect to receive either common stock or RSUs or a combination of common stock and RSUs at the option of the director, instead of all or part of their quarterly cash compensation and/or all or part of their committee and chairperson cash retainers.

Note 10 - Stockholders' Equity

The following table presents the components of cumulative distributions to stockholders at September 30, 2026 and December 31, 2025.

Cumulative Distributions to Stockholders	September 30, 2026	December 31, 2025
Preferred dividends	$ 190,594	$ 180,829
Common stock dividends	2,771,024	2,486,222
Totals	$ 2,961,618	$ 2,667,051

Preferred Stock

At September 30, 2026 and December 31, 2025, we were authorized to issue up to 50,000 shares of preferred stock, par value $0.001 per share, with such designations, voting and other rights and preferences as may be determined from time to time by our Board of Directors (“Board”) or a committee thereof. At September 30, 2026, 10,000 shares of the Company’s authorized preferred stock, par value $0.001 per share, were designated as shares of 7.00% Series C Cumulative Redeemable Preferred Stock ("Series C Preferred Stock") with the powers, designations, preferences and other rights as set forth therein and a total of 40,000 shares of our authorized preferred stock remained available for designation as future series.

At September 30, 2026 and December 31, 2025, we had 7,676 and 7,048 shares of Series C Preferred Stock issued and outstanding with a par value of $0.001 per share and a liquidation preference of $25.00 per share, or $191,899 and $176,196 in the aggregate, respectively. At September 30, 2026 and December 31, 2025, there were no accrued or unpaid dividends on the Series C Preferred Stock. Shares designated as Series C Preferred Stock but unissued, which are available under the Preferred C ATM Sales Agreement, totaled 2,324 and 2,952 at September 30, 2026 and December 31, 2025.

On January 29, 2020, the Company entered into an Equity Sales Agreement (the “Preferred C ATM Sales Agreement”) with B. Riley Securities, Inc. (formerly B. Riley FBR, Inc.) and BUCKLER, as sales agents (individually and collectively, the “Agents"), and ACM, pursuant to which the Company may offer and sell, over a period of time and from time to time, through one or more of the Agents, as the Company’s agents, up to 6,550 of Series C Preferred Stock. The Preferred C ATM Sales Agreement relates to a proposed “at-the-market” offering program. Under the Preferred C ATM Sales Agreement, we will pay the agent designated to sell our shares an aggregate commission of up to 2.0% of the gross sales price per share of our Series C Preferred Stock sold through the designated agent under the Preferred C ATM Sales Agreement. On June 20, 2024, the Preferred C ATM Sales Agreement was amended to add BTIG, LLC, as a sales agent. During the nine months ended September 30, 2026, we sold 628 shares under the Preferred C ATM Sales Agreement for proceeds of $13,002, net of issuance costs and commissions of approximately $164.

Preferred Stock Repurchase Program

On July 26, 2022, the Board authorized a repurchase program of up to an aggregate of 2,000 shares of the Company’s outstanding Series C Preferred Stock ("Series C Preferred Stock Repurchase Program"). Under the Series C Preferred Stock Repurchase Program, shares of Series C Preferred Stock may be purchased in the open market, including block trades, through privately negotiated transactions, or pursuant to a trading plan separately adopted in the future. The timing, manner, price and amount of any repurchases will be at our discretion, in consultation with the Pricing Committee of the Board, subject to the requirements of the Exchange Act and related rules. We are not required to repurchase any shares under the Series C Preferred Stock Repurchase Program and it may be modified, suspended or terminated at any time for any reason. We do not intend to purchase shares from our Board or other affiliates. Under Maryland law, such

repurchased shares are treated as authorized but unissued. We did not repurchase any shares under the Series C Preferred Stock Repurchase Program during the nine months ended September 30, 2026.

Common Stock

At September 30, 2026 and December 31, 2025, we were authorized to issue up to 250,000 and 175,000 shares of common stock, par value $0.001 per share, with such designations, voting and other rights and preferences as may be determined from time to time by our Board. We had 148,415 and 111,915 shares of common stock issued and outstanding at September 30, 2026 and December 31, 2025, respectively.

On July 26, 2023 we entered into an Equity Sales Agreement (the “2023 Common stock ATM Sales Agreement”), with BUCKLER, JonesTrading Institutional Services LLC, Citizens JMP Securities, LLC (formerly JMP Securities LLC), Ladenburg Thalmann & Co. Inc. and B. Riley Securities, Inc., as sales agents, relating to the shares of our common stock. In accordance with the terms of the 2023 Common Stock ATM Sales agreement, we could initially offer and sell over a period of time and from time to time, up to 15,000 shares of our common stock, par value $0.001 per share. On October 25, 2023, the 2023 Common stock ATM Sales Agreement was amended to add StockBlock Securities LLC, as a sales agent and on June 20, 2024 it was further amended to add BTIG, LLC as a sales agent. On August 23, 2024, the 2023 Common stock ATM Sales Agreement was amended to increase by 25,000 the number of shares of our common stock that may be offered and sold under the 2023 Common stock ATM Sales Agreement. On September 20, 2024, the 2023 Common stock ATM Sales Agreement was further amended to add Janney Montgomery Scott LLC ("Janney"), as a sales agent. On February 13, 2025, the 2023 Common stock ATM Sales Agreement was further amended to increase by 15,000 the number of shares of our common stock that may be offered and sold under the 2023 Common stock ATM Sales Agreement. On July 25, 2025, the 2023 Common stock ATM Sales Agreement was further amended to increase by 9,500 the number of shares of our common stock that may be offered and sold under the 2023 Common stock ATM Sales Agreement. On January 28, 2026, the 2023 Common stock ATM Sales Agreement was further amended to increase by 15,000 the number of shares of our common stock that may be offered and sold under the 2023 Common stock ATM Sales Agreement and to remove Janney as a sales agent, and add Huntington Securities, Inc. as a sales agent. On July 24, 2026, the 2023 Common stock ATM Sales Agreement was further amended to increase by 25,000 the number of shares of our common stock that may be offered and sold under the 2023 Common stock ATM Sales Agreement.

During the nine months ended September 30, 2026, we sold 36,901 common shares under the 2023 Common stock ATM Sales Agreement for proceeds of $639,739, net of issuance costs and commissions of approximately $5,383.

During the nine months ended September 30, 2026, we issued 7 common shares under our Common Stock Dividend Reinvestment Program ("DRIP") for net proceeds of $112.

See Note 13 - Related Party Transactions for discussion of additional transactions with BUCKLER.

Common Stock Repurchase Program

At September 30, 2026 and December 31, 2025, there were 4,636 and 866, respectively, authorized shares remaining under the Company's common stock repurchase authorization (the "Common Stock Repurchase Program"). The Common Stock Repurchase Program authorization was increased to 5,000 shares, effective April 21, 2026. Under the Common Stock Repurchase Program, shares of common stock may be purchased in the open market, including block trades, through privately negotiated transactions, or pursuant to a trading plan separately adopted in the future. The timing, manner, price and amount of any repurchases will be at our discretion, subject to the requirements of the Exchange Act, and related rules. We are not required to repurchase any shares under the Common Stock Repurchase Program and it may be modified, suspended or terminated at any time for any reason. We do not intend to purchase shares from our Board or other affiliates. Under Maryland law, such repurchased shares are treated as authorized but unissued. During the nine months ended September 30, 2026 we repurchased (489) common shares under this authorization for a cost of $(7,162) with BUCKLER. See Note 13 - Related Party Transactions for discussion of additional transactions with BUCKLER.

ARMOUR Residential REIT, Inc.
CONSOLIDATED FINANCIAL STATEMENT NOTES (UNAUDITED)
(in thousands, except per share)

Equity Capital Activities

The following tables present our equity transactions for the nine months ended September 30, 2026 and for the year ended December 31, 2025.

Transaction Type	Completion Date	Number of Shares	Per Share price [1]	Net Proceeds (costs)
September 30, 2026				
Preferred C ATM Sales Agreement	January 2, 2026 - September 8, 2026	628	$ 20.70	$ 13,002
2023 Common stock ATM Sales Agreement	January 6, 2026 - September 14, 2026	36,901	$ 17.34	$ 639,739
DRIP shares issued	January 26, 2026 - September 29, 2026	7	$ 16.51	$ 112
Common stock repurchased	March 20, 2026 - September 8, 2026	(489)	$ 14.66	$ (7,162)
December 31, 2025				
Preferred C ATM Sales Agreement	January 22, 2025 - December 31, 2025	201	$ 20.50	$ 4,118
August 2025 Public Offering	August 5, 2025	18,500	$ 16.14	$ 298,502
2023 Common stock ATM Sales Agreement	January 2, 2025 - July 30, 2025	32,290	$ 17.82	$ 575,554
DRIP shares issued	January 27, 2025 - December 29, 2025	7	$ 16.59	$ 111
Common stock repurchased	April 8, 2025 -September 22, 2025	(1,351)	$ 14.77	$ (19,947)

(1) Weighted average price.

Dividends

A cash dividend of $0.14583 per outstanding share of Series C Preferred Stock, or $1,119 in the aggregate, will be paid on October 27, 2026, to holders of record on October 15, 2026. We have also declared cash dividends of $0.14583 per outstanding share of Series C Preferred Stock payable November 27, 2026, to holders of record on November 15, 2026, and payable December 28, 2026, to holders of record on December 15, 2026.

A cash dividend of $0.24 per outstanding common share, or $35,824 in the aggregate, will be paid on October 29, 2026, to holders of record on October 15, 2026. We have also declared a cash dividend of $0.24 per outstanding common share payable November 27, 2026, to holders of record on November 16, 2026.

ARMOUR Residential REIT, Inc.
CONSOLIDATED FINANCIAL STATEMENT NOTES (UNAUDITED)
(in thousands, except per share)

The following table presents our Series C Preferred Stock dividend transactions for the nine months ended September 30, 2026.

Record Date	Payment Date	Rate per Series C Preferred Share	Aggregate amount paid to holders of record
January 15, 2026	January 27, 2026	$ 0.14583	$ 1,041
February 15, 2026	February 27, 2026	$ 0.14583	1,061
March 15, 2026	March 27, 2026	$ 0.14583	1,073
April 15, 2026	April 27, 2026	$ 0.14583	1,074
May 15, 2026	May 27, 2026	$ 0.14583	1,091
June 15, 2026	June 29, 2026	$ 0.14583	1,099
July 15, 2026	July 27, 2026	$ 0.14583	1,102
August 15, 2026	August 27, 2026	$ 0.14583	1,105
September 15, 2026	September 28, 2026	$ 0.14583	1,119
Total dividends paid			$ 9,765

The following table presents our common stock dividend transactions for the nine months ended September 30, 2026.

Record Date	Payment Date	Rate per common share	Aggregate amount paid to holders of record
January 15, 2026	January 29, 2026	$ 0.24	$ 27,796
February 17, 2026	February 27, 2026	$ 0.24	28,734
March 16, 2026	March 30, 2026	$ 0.24	29,747
April 15, 2026	April 29, 2026	$ 0.24	29,847
May 15, 2026	May 28, 2026	$ 0.24	31,319
June 15, 2026	June 29, 2026	$ 0.24	31,940
July 15, 2026	July 30, 2026	$ 0.24	34,190
August 17, 2026	August 28, 2026	$ 0.24	35,318
September 15, 2026	September 29, 2026	$ 0.24	35,911
Total dividends paid			$ 284,802

Note 11 - Net Income (Loss) per Common Share

The following table presents a reconciliation of net income (loss) and the shares used in calculating weighted average basic and diluted earnings per common share for the three and nine months ended September 30, 2026 and September 30, 2025.

ARMOUR Residential REIT, Inc.
CONSOLIDATED FINANCIAL STATEMENT NOTES (UNAUDITED)
(in thousands, except per share)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2026	2025	2026	2025
Net Income (Loss)	$ (323,746)	$ 159,259	$ (263,781)	$ 110,983
Less: Preferred dividends	(3,326)	(3,003)	(9,765)	(9,006)
Net Income (Loss) available (related) to common stockholders	$ (327,072)	$ 156,256	$ (273,546)	$ 101,977
Weighted average common shares outstanding – basic	144,564	104,318	131,176	87,886
Add: Effect of dilutive non-vested awards, assumed vested	—	255	—	255
Weighted average common shares outstanding – diluted	144,564	104,573	131,176	88,141
Net Income (loss) per share available (related) to common stockholders - basic	(2.26)	1.50	(2.09)	1.16
Net Income (loss) per share available (related) to common stockholders - diluted	(2.26)	1.49	(2.09)	1.16

For the three and nine months ended September 30, 2026, 840 of potentially dilutive non-vested awards outstanding were excluded from the computation of diluted Net Income (Loss) available (related) to common stockholders because to have included them would have been anti-dilutive for the period.

Note 12 - Income Taxes

The following table reconciles our GAAP net income (loss) to estimated REIT taxable income for the three and nine months ended September 30, 2026 and September 30, 2025.

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2026	2025	2026	2025
GAAP net income (loss)	$ (323,746)	$ 159,259	$ (263,781)	$ 110,983
Book to tax differences:				
ARMOUR TRS Inc. (income) loss	64	(94)	(18)	(289)
Gain (Loss) on Agency Securities, trading, net	1,165,185	(177,108)	1,390,404	(401,910)
Gain (Loss) on U.S. Treasury Securities, net	18,227	(6,197)	39,329	9,596
Changes in interest rate contracts	(757,419)	101,641	(875,489)	491,547
Amortization of deferred hedging costs	(13,914)	(18,437)	(48,718)	(52,132)
Amortization of deferred Treasury Future gains	2,881	1,981	3,167	7,558
Other	838	113	945	242
Estimated REIT taxable income	$ 92,116	$ 61,158	$ 245,839	$ 165,595

Interest rate contracts and futures contracts are treated as hedging transactions for U.S. federal income tax purposes. Unrealized gains and losses on open interest rate contracts are not included in the determination of REIT taxable income. Realized gains and losses on interest rate contracts and futures contracts terminated before their maturity are deferred and amortized over the remainder of the original term of the contract for REIT taxable income. At September 30, 2026 and December 31, 2025, we had approximately $(139,301) and $(313,284), respectively, of net deductible expense relating to previously terminated interest rate swap and treasury futures/shorts contracts amortizing through the year 2040. At September 30, 2026, we had $257,341 of net operating loss carryforwards available for use indefinitely.

ARMOUR Residential REIT, Inc.
CONSOLIDATED FINANCIAL STATEMENT NOTES (UNAUDITED)
(in thousands, except per share)

Net capital losses realized		Amount	Available to offset capital gains through
2021	$	(15,606)	2026
2022	$	(732,477)	2027
2023	$	(472,002)	2028
2024	$	(46,823)	2029
2025	$	(4,078)	2030

The Company's subsidiary, ARMOUR TRS, Inc. has made an election as a taxable REIT subsidiary (“TRS”). As such, the TRS is taxable as a domestic C corporation and subject to federal, state, and local income taxes based upon its taxable income.

The aggregate tax basis of our assets and liabilities was greater than our total Stockholders’ Equity at September 30, 2026 by approximately $553,903, or approximately $3.73 per common share (based on the 148,415 common shares then outstanding). State and federal tax returns for the years 2023 and later remain open and are subject to possible examination.

We are required and intend to timely distribute substantially all of our REIT taxable income in order to maintain our REIT status under the Code. Total dividend payments to stockholders for the three and nine months ended September 30, 2026 and September 30, 2025 were $108,745 and $294,567 and $79,199 and $199,722, respectively.

Our estimated REIT taxable income and dividend requirements to maintain our REIT status are determined on an annual basis. Dividends paid in excess of current tax earnings and profits for the year will generally not be taxable to common stockholders.

Our management is responsible for determining whether tax positions taken by us are more likely than not to be sustained on their merits. We had no material unrecognized tax benefits or material uncertain tax positions for any periods presented.

Note 13 - Related Party Transactions

ACM

The Company is managed by ACM, pursuant to a management agreement. All of our executive officers are also employees of ACM. ACM manages our day-to-day operations, subject to the direction and oversight of the Board. The management agreement runs through March 31, 2033 and is thereafter automatically renewed for an additional five-year term unless terminated under certain circumstances. Either party must provide 180 days prior written notice of any such termination. During the three and nine months ended September 30, 2025, ACM voluntarily waived management fees of $1,650 and $4,950, respectively. On December 22, 2025, ACM notified ARMOUR that they were terminating the voluntary waiver (see Note 8 - Commitments and Contingencies).

Under the terms of the management agreement, ACM is responsible for costs incident to the performance of its duties, such as compensation of its employees and various overhead expenses. ACM is responsible for the following primary roles:

- Advising us with respect to, arranging for and managing the acquisition, financing, management and disposition of, elements of our investment portfolio;
- Evaluating the duration risk and prepayment risk within the investment portfolio and arranging borrowing and hedging strategies;
- Coordinating capital raising activities;

- Advising us on the formulation and implementation of operating strategies and policies, arranging for the acquisition of assets, monitoring the performance of those assets and providing administrative and managerial services in connection with our day-to-day operations; and
- Providing executive and administrative personnel, office space and other appropriate services required in rendering management services to us.

The following table reconciles the fees incurred in accordance with the management agreement for the three and nine months ended September 30, 2026 and September 30, 2025.

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2026	2025	2026	2025
ARMOUR management fees	$ 13,039	$ 11,703	$ 37,793	$ 33,532
Less management fees waived	—	(1,650)	—	(4,950)
Total management fee expense	$ 13,039	$ 10,053	$ 37,793	$ 28,582

We are required to take actions as may be reasonably required to permit and enable ACM to carry out its duties and obligations. We are also responsible for any costs and expenses that ACM incurred solely on our behalf other than the various overhead expenses, which are included in Other Operating expenses in the consolidated statements of operations specified in the terms of the management agreement. For the three and nine months ended September 30, 2026 and September 30, 2025, we reimbursed ACM $500 and $1,434 and $350 and $2,021, respectively, for other expenses incurred on our behalf.

BUCKLER

At September 30, 2026, we held an ownership interest in BUCKLER of 10.8%, which is included in prepaid and other assets in our consolidated balance sheet and is accounted for using the equity method as BUCKLER maintains specific ownership accounts. Based on our evaluation of certain protective rights and the nature of the on demand subordinated loan agreements, we have determined that we do not have the power to direct the day-to-day activities that most significantly impact BUCKLER's economic performance and additionally do not have the obligation to absorb losses or the right to receive benefits that could be significant to BUCKLER. As a result, we do not have a controlling financial interest, and thus, are not BUCKLER's primary beneficiary and do not consolidate BUCKLER.

The value of the investment was $791 at September 30, 2026 and $583 at December 31, 2025, reflecting our total investment plus our share of BUCKLER’s operating results, in accordance with the terms of the BUCKLER operating agreement that our independent directors negotiated. The primary purpose of our investment in BUCKLER is to facilitate our access to repurchase financing.

BUCKLER's operating agreement (as may be amended and restated from time to time, the "BUCKLER operating agreement") contains certain provisions to benefit and protect the Company, including (1) sharing in any (a) defined profits realized by BUCKLER from the anticipated financing spreads resulting from repurchase financing facilitated by BUCKLER, and (b) distributions from BUCKLER to its members of net cash receipts, and (2) the realization of anticipated savings from reduced clearing, brokerage, trading and administrative fees. Other protective provisions in the BUCKLER operating agreement include (1) the requirement for the approval from the independent directors of the Company of any third-party business engaged by BUCKLER so long as any loan amount or indebtedness remains outstanding under the on demand subordinated loan agreements (as described more fully below) and (2) the independent directors may under certain circumstances cause BUCKLER to wind up and dissolve and promptly return certain on demand subordinated loans we provide to BUCKLER as regulatory capital. For the three and nine months ended September 30, 2026, we earned $0 and $20 from BUCKLER as an allocated share of Financing Gross Profit for a reduction of interest on repurchase agreements charged to the Company. Financing Gross Profit is defined in the BUCKLER operating agreement.

Effective February 27, 2026, the Company committed to provide on demand a subordinated loan agreement to BUCKLER in an amount up to $275,000; this commitment extends through February 27, 2029. Effective February 28, 2025, the Company committed to an on demand subordinated loan agreement in the amount of $50,000 that extends through February 28, 2028. These commitments are collateralized by mortgage backed and/or U.S. Treasury Securities owned by the Company and pledged to BUCKLER. They are treated by BUCKLER currently as capital for regulatory purposes and BUCKLER may pledge the securities to secure its own borrowings.

On February 22, 2021, the Company entered into an uncommitted revolving credit facility and security agreement with BUCKLER. Under the terms of the facility, the Company may, in its sole and absolute discretion, provide drawings to BUCKLER of up to $50,000. Interest on drawings is payable monthly at the Federal Reserve Bank of New York SOFR plus 2% per annum. To date, BUCKLER has not yet used the facility and therefore no interest expense was payable for the nine months ended September 30, 2026.

During the three and nine months ended September 30, 2026, with BUCKLER as the sales agent, under the 2023 Common stock ATM Sales Agreement, we sold 12,366 and 35,451 common shares for proceeds of $205,886 and $615,278, net of issuance costs and commissions of approximately $1,556 and $4,650 to BUCKLER.

During the three and nine months ended September 30, 2026, with BUCKLER as the agent, we repurchased (364) and (489) common shares under the current repurchase authorization which cost $(5,149) and $(7,162), including commissions of approximately $38 and $53, to BUCKLER.

Note 14 - Segment Reporting

We operate in the U.S. and invest primarily in fixed rate residential, adjustable rate and hybrid adjustable rate residential MBS issued or guaranteed by U.S. GSEs or guaranteed by Ginnie Mae. From time to time, we may also invest in U.S. Treasury Securities and money market instruments. Resources and financial performance are assessed by our CEO and Co-Chief Investment Officers who collectively are the Company's Chief Operating Decision Maker ("CODM"), based on total assets reported on the consolidated balance sheets and net income (loss) as reported on the consolidated statements of operations. Our CODM views consolidated expense information related to interest expense, management fees, compensation and other operating expenses as disclosed on our consolidated statement of operations as significant. The CODM manages our investment portfolio as a whole and decisions regarding investments and hedging are made collectively based on the inputs above. Accordingly, the Company consists of a single operating and reportable segment and the consolidated financial statements and notes thereto are presented as a single reportable segment. Since the Company operates in a single segment, the segment information is consistent with the consolidated financial statements. Therefore, no reconciliation is necessary.

Note 15 - Subsequent Events

Except as disclosed in Note 10, no subsequent events were identified through the date of filing this Quarterly Report on Form 10-Q.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations ARMOUR Residential REIT, Inc.

References to "we," "us," "our," or the "Company" are to ARMOUR Residential REIT, Inc. ("ARMOUR") and its subsidiary. References to "ACM" are to ARMOUR Capital Management LP, a Delaware limited partnership. ARMOUR owns a 10.8% equity interest in BUCKLER Securities LLC ("BUCKLER"), a Delaware limited liability company and a FINRA-regulated broker-dealer, controlled by ACM. Refer to the Glossary of Terms for definitions of capitalized terms and abbreviations used in this report.

The following discussion of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this report. U.S. dollar amounts are presented in thousands, except per share amounts or as otherwise noted.

Overview

We are a Maryland corporation managed by ACM, an investment advisor registered with the SEC (see Note 8 and Note 13 to the consolidated financial statements). We have elected to be taxed as a REIT under the Code. We believe that we are organized in conformity with the requirements for qualification as a REIT under the Code and our manner of operations enables us to meet the requirements for taxation as a REIT for federal income tax purposes.

ARMOUR brings private capital into the mortgage markets to support home ownership for a broad and diverse spectrum of Americans. We seek to create stockholder value through thoughtful investment and risk management of a leveraged and diversified portfolio of MBS. We rely on the decades of experience of our management team for (i) MBS securities portfolio analysis and selection, (ii) access to equity capital and repurchase financing on potentially attractive rates and terms, and (iii) hedging and liquidity strategies to moderate interest rate and MBS price risk. We prioritize maintaining common share dividends appropriate for the intermediate term rather than focusing on short-term market fluctuations.

We are deeply committed to implementing sustainable environmental, responsible social, and prudent governance practices that improve our work and our world. We strive to contribute to a healthy, sustainable environment by utilizing resources efficiently. As an organization, we create a relatively small environmental footprint. Still, we are focused on minimizing the environmental impact of our business where possible.

At September 30, 2026 and December 31, 2025, our investments in securities included MBS, issued or guaranteed by a U.S. GSE, such as Fannie Mae, Freddie Mac, or a government agency such as Ginnie Mae (collectively, Agency Securities) and U.S. Treasury Securities. Our investment in securities consist primarily of fixed rate loans. Our charter permits us to invest in MBS backed by fixed rate, hybrid adjustable rate and adjustable rate home loans as well as unsecured notes and bonds issued by GSEs, U.S. Treasuries and money market instruments.

We earn returns on the spread between the yield on our assets and our costs, including the interest cost of the funds we borrow, after giving effect to our hedges. We identify and acquire MBS, finance our acquisitions with borrowings under a series of short-term repurchase agreements and then hedge certain risks based on our entire portfolio of assets and liabilities and our management's view of the market.

Factors that Affect our Results of Operations and Financial Condition

Our results of operations and financial condition are affected by various factors, many of which are beyond our control, including, among other things, our net interest income, the market value of our assets and the supply of and demand for such assets. Recent events, such as those discussed below, can affect our business in ways that are difficult to predict and may produce results outside of typical operating variances. Our net interest income varies primarily as a result of changes in interest rates, borrowing costs and prepayment speeds, the behavior of which involves various risks and uncertainties. We currently invest primarily in Agency Securities, for which the principal and interest payments are guaranteed by a GSE or other government agency. From time to time, we also invest in U.S. Treasury Securities and money market instruments subject to certain income tests we must satisfy for our qualification as a REIT. We expect our investments to be subject to risks arising from prepayments resulting from existing home sales, financings, delinquencies

and foreclosures. We are exposed to changing mortgage spreads, which could result in declines in the fair value of our investments. Our asset selection, financing and hedging strategies are designed to work together to generate current net interest income while moderating our exposure to market volatility.

Interest Rates

Changes in interest rates, particularly short-term interest rates, may significantly influence our net interest income. With the maturities of our assets, generally of a longer term than those of our liabilities, interest rate increases will tend to decrease our net interest income and the market value of our assets (and therefore our book value). Such rate increases could possibly result in operating losses or adversely affect our ability to make distributions to our stockholders. Our operating results depend, in large part, upon our ability to manage interest rate risks effectively while maintaining our status as a REIT.

While we use strategies to economically hedge some of our interest rate risk, we do not hedge all of our exposure to changes in interest rates and prepayment rates, as there are practical limitations on our ability to insulate our securities portfolio from all potential negative consequences associated with changes in short-term interest rates in a manner that will allow us to seek attractive net spreads on our securities portfolio. For GAAP purposes, all changes in the fair value of our derivatives currently flow through earnings. Currently, all of our Agency MBS portfolio is designated as trading securities and changes in the fair values of our derivatives and Agency MBS flow through earnings together. Accordingly, our results of operations will not be subject to the additional fluctuations caused by the previous differences in mark-to-market accounting treatments. Comparisons with companies that use hedge accounting for all or part of their derivative activities may not be meaningful.

Prepayment Rates

Prepayments on MBS and the underlying mortgage loans may be influenced by changes in market interest rates and a variety of economic and geographic factors, policy decisions by regulators, as well as other factors beyond our control. To the extent we hold MBS acquired at a premium or discount to par, or face value, changes in prepayment rates may impact our anticipated yield. In periods of declining interest rates, prepayments on our MBS will likely increase. If we are unable to reinvest the proceeds of such prepayments at comparable yields, our net interest income may decline. Our operating results depend, in large part, upon our ability to manage prepayment risks effectively while maintaining our status as a REIT.

In addition to the use of derivatives to hedge interest rate risk, a variety of other factors relating to our business may also impact our financial condition and operating performance; these factors include:

- our degree of leverage;
- our access to funding and borrowing capacity;
- the REIT requirements under the Code; and
- the requirements to qualify for an exclusion under the 1940 Act and other regulatory and accounting policies related to our business.

Management

See Note 8 and Note 13 to the consolidated financial statements.

Market and Interest Rate Trends and the Effect on our Securities Portfolio

Third Quarter 2026 Trends

The Middle East conflict that began in late February 2026 significantly increased U.S. interest rate volatility, primarily through its impact on energy markets. As oil prices rose sharply amid concerns over potential supply disruptions, particularly through the Strait of Hormuz, market participants reassessed the inflation outlook and expected path of monetary policy. Immediately before the conflict, futures markets were expecting at least two 25 basis point Federal Reserve rate cuts by year-end 2026; since then, expectations have shifted dramatically, with the Fed raising rates by 25 basis points on September 16, 2026 and markets expecting another 25 basis point hike by year-end. This repricing contributed to a pronounced rise in Treasury yields across the curve and a more challenging technical backdrop for Agency MBS. Although the April ceasefire and mid-June memorandum of understanding between the U.S. and Iran partially reversed the most severe moves in rates, volatility, and mortgage spreads, these measures deteriorated again in the third quarter, in some cases exceeding earlier extremes. ARMOUR expects bouts of elevated volatility to persist until the conflict is more definitively resolved and, accordingly, intends to continue prioritizing risk management during this period of heightened uncertainty.

In 2025, the U.S. administration imposed tariffs on imports from a broad range of trading partners, including Canada, Mexico, member states of the European Union, Japan, and China. In response, several trading partners imposed retaliatory tariffs. In February 2026, the U.S. Supreme Court held that the International Emergency Economic Powers Act (IEEPA) did not authorize the President to impose the administration's broad-based tariffs under that statute. The administration subsequently shifted to alternative trade authorities, including a temporary surcharge under Section 122 of the Trade Act of 1974, which expired on July 24, 2026, and more durable measures under Sections 301 and 232 of the Trade Act of 1974. Most notably, the administration imposed new Section 301 tariffs of 10% to 12.5% on imports from 60 economies beginning in late July, while continuing to pursue additional sector- and country-specific tariffs under other statutory authorities. These measures, together with actual and potential retaliatory actions by U.S. trading partners, have contributed to increased uncertainty and volatility in financial markets and interest rates and could continue to do so. Accordingly, ARMOUR expects to continue prioritizing liquidity given the potential for more market volatility and related financial risks.

Federal Reserve and U.S. Treasury Department Actions

At its September 16, 2026 meeting, the Federal Open Market Committee (FOMC) raised the target range for the federal funds rate by 25 basis point to 3.75% to 4.00%, its first rate hike since July 2023. In its statement, the Committee said economic activity continued to expand at a solid pace despite elevated uncertainty, in part related to geopolitical developments. It highlighted strong productivity growth and capital investment, resilient domestic spending, and job gains that have kept pace with the workforce, while the unemployment rate has changed little. The Committee also noted that inflation remains elevated and said their policy action would support a timelier return of inflation to its 2% objective.

At its September 16, 2026 meeting, the Committee also reaffirmed its policy of maintaining ample reserves in the banking system. Consistent with the conclusion of the reduction in its aggregate securities holdings effective December 1, 2025, the Committee directed the Open Market Desk to roll over at auction all principal payments from the Federal Reserve's Treasury securities holdings and to reinvest all principal payments from its agency debt and agency mortgage-backed securities holdings into Treasury bills. Additionally, the FOMC's reserve management purchase (RMP) program, launched in 2025 with approximately $40 billion per month in short-dated Treasury securities, was reduced to zero in the third quarter of 2026 as reserve levels remained ample and repo markets continued to function smoothly. Looking ahead into the fourth quarter of 2026, a meaningful increase in net bill supply is expected to resume, which could place some pressure on reserves and money-market funding conditions. The New York Fed has indicated that it stands ready to adjust RMPs as needed to maintain ample reserves. A resumption of purchases is expected to help absorb some of the liquidity impact from increased bill issuance and support continued orderly and liquid repo markets. ARMOUR continues to monitor these developments closely, as further changes to the RMP pace or repo market conditions could affect the Company's borrowing environment.

In the third quarter of 2026, the U.S. Treasury unexpectedly announced that it was "increasing, by at least double" the size of liquidity-support buybacks in longer-dated Treasury securities. The U.S. Treasury subsequently purchased approximately $11.7 billion par amount of 10-year to 30-year nominal coupon Treasury securities in September 2026. These price-sensitive operations were designed to support secondary-market liquidity rather than target a particular level of yields. While these purchases are not expected to have an outright impact on long-end yields, they should provide a marginal source of demand, improve liquidity in less actively traded securities, and help dampen market dislocations during periods of elevated volatility.

Financial markets will likely be highly sensitive to the Fed's interest rate decisions, its bond purchasing and balance sheet holding decisions, its liquidity operations, as well as its communication. We intend to continue to mitigate risk and maximize liquidity within the scope of our business plan. The agency mortgage-backed securities market remains highly dependent on the future course and timing of the Fed's actions on interest rates and liquidity operations, as well as its purchases and holdings of our target assets.

Developments at Fannie Mae and Freddie Mac

The payments we receive on the Agency Securities in which we invest depend upon a steady stream of payments by borrowers on the underlying mortgages and the fulfillment of guarantees by GSEs. There can be no assurance that the U.S. Government's intervention in Fannie Mae and Freddie Mac will continue to be adequate or assured for the longer-term viability of these GSEs. These uncertainties may lead to concerns about the availability of and market for Agency Securities in the long term. Accordingly, if the GSEs defaulted on their guaranteed obligations, suffered losses or ceased to exist, the value of our Agency Securities and our business, operations and financial condition could be materially and adversely affected.

Short-term Interest Rates and Funding Costs

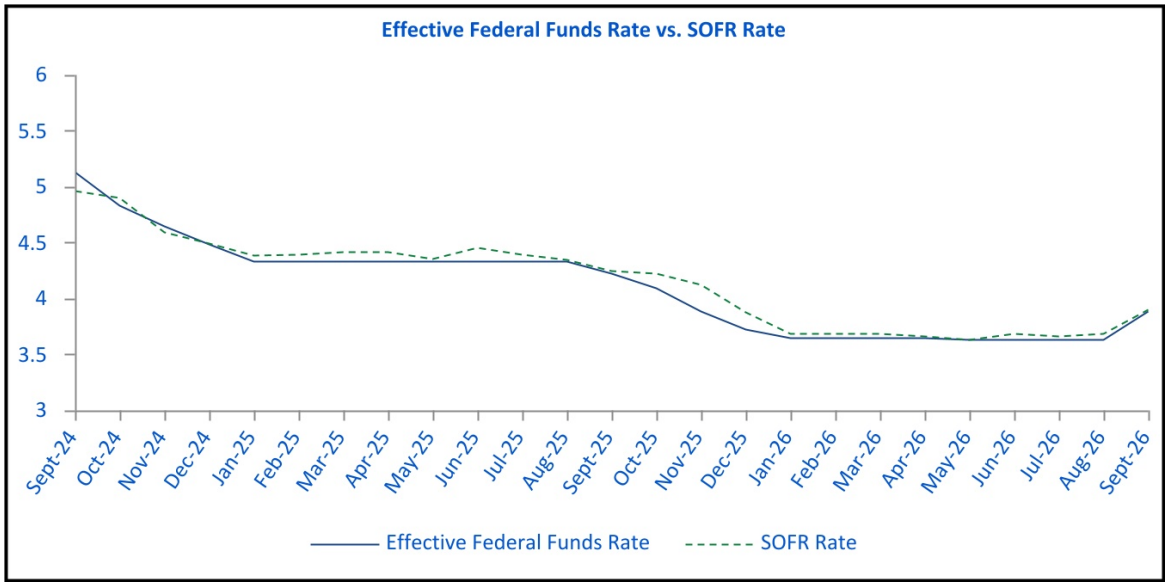
Changes in Fed policy affect our financial results, since our cost of funds is largely dependent on short-term rates. An increase in our cost of funds without a corresponding increase in interest income earned on our MBS would cause our net income to decline.

Below is the Fed's target range for the Federal Funds Rate at each Fed meeting where a change was made since 2024.

Meeting Date	Lower Bound	Higher Bound
September 16, 2026	3.75 %	4.00 %
December 10, 2025	3.50 %	3.75 %
October 29, 2025	3.75 %	4.00 %
September 17, 2025	4.00 %	4.25 %
December 18, 2024	4.25 %	4.50 %
November 7, 2024	4.50 %	4.75 %
September 18, 2024	4.75 %	5.00 %

Our borrowings in the repurchase market have closely tracked the Federal Funds Rate and SOFR. Traditionally, a lower Federal Funds Rate has indicated a time of increased net interest spread and higher asset values. Volatility in these rates and divergence from the historical relationship among these rates could negatively impact our ability to manage our securities portfolio. If rates were to increase, our net interest spread and the value of our securities portfolio might suffer as a result. Our derivatives are either Federal Funds Rate or SOFR-based interest rate swap contracts (see Note 7 to the consolidated financial statements).

The following graph shows the effective Federal Funds Rate as compared to SOFR on a monthly basis from September 30, 2024 to September 30, 2026.



Long-term Interest Rates and Mortgage Spreads

Our securities are valued at an interest rate spread versus long-term interest rates (mortgage spread). This mortgage spread varies over time and can be above or below long-term averages, depending upon market participants' current desire to own MBS over other investment alternatives. When the mortgage spread gets smaller (or negative) versus long-term interest rates, our book value will be positively affected. When this spread gets larger (or positive), our book value will be negatively affected.

Mortgage spreads can vary due to movements in securities valuations, movements in long-term interest rates or a combination of both. We mainly use interest rate swap contracts, interest rate swaptions, basis swap contracts and futures contracts to economically hedge against changes in the valuation of our securities. We do not use such hedging contracts for speculative purposes.

We may reduce our mortgage spread exposure by entering into certain TBA Agency Securities short positions. The TBA short positions may represent different securities and maturities than our MBS and TBA Agency Security long positions, and accordingly, may perform somewhat differently. While we expect our TBA Agency Securities short positions to perform well compared to our related mortgage securities, there can be no assurance as to their relative performance.

Results of Operations

Net Income (Loss)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2026	2025	2026	2025
Net Interest Income	$ 83,743	$ 38,517	$ 231,276	$ 107,963
Total Other Income (Loss)	(390,972)	134,018	(446,033)	43,787
Total Expenses after fees waived	(16,517)	(13,276)	(49,024)	(40,767)
Net Income (Loss)	$ (323,746)	$ 159,259	$ (263,781)	$ 110,983

Net Loss for the three and nine months ended September 30, 2026 compared to Net Income for the three and nine months ended September 30, 2025 reflected unrealized losses on our trading securities, partially offset by derivative gains, due to increased interest rate spreads and volatility in the later portion of September 2026. The increase in net interest income reflected income from a larger average securities portfolio and interest expense on a larger average repurchase agreements balance.

Net interest income is a function of the size of and yield earned from our investment portfolio and the size and cost of our repurchase and other financing costs.

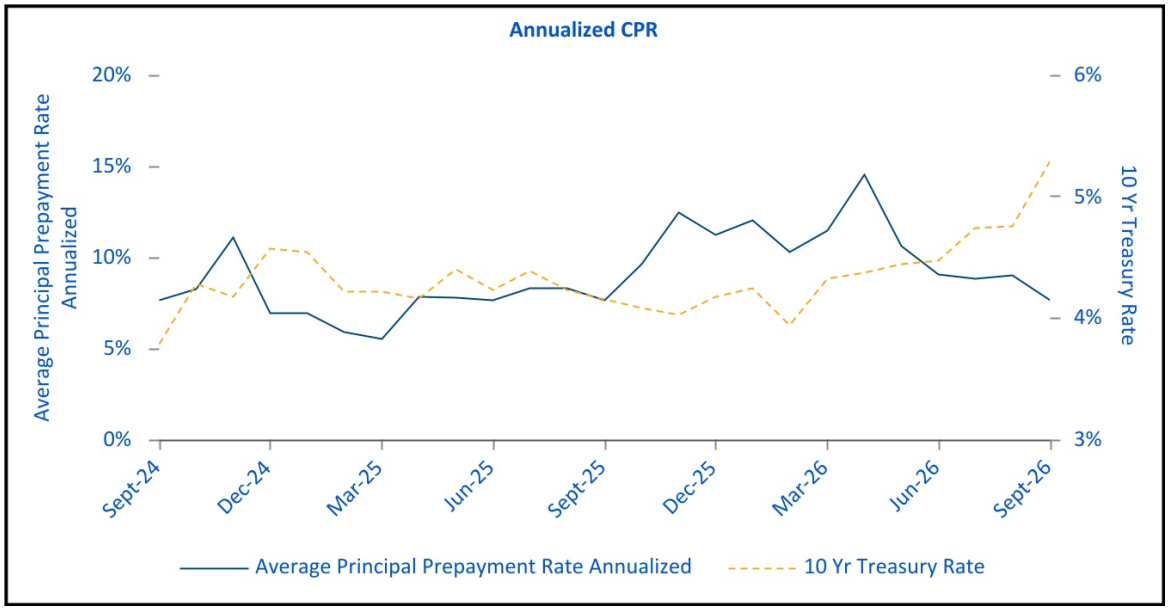
	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2026	2025	2026	2025
Interest Income	$ 274,342	$ 210,182	$ 787,413	$ 563,949
Interest Expense	(190,599)	(171,665)	(556,137)	(455,986)
Net Interest Income	$ 83,743	$ 38,517	$ 231,276	$ 107,963

The following tables detail the factors impacting our net interest income for the three and nine months ended September 30, 2026 and September 30, 2025.

	For the Three Months Ended September 30, 2026			For the Three Months Ended September 30, 2025		
	Interest Income (Expense)	Average Balance	Yield/Rate	Interest Income (Expense)	Average Balance	Yield/Rate
Interest-bearing Assets:						
Agency Securities, Net of Amortization	$ 268,279	$ 21,346,470	5.03 %	$ 205,876	$ 16,219,369	5.08 %
Cash Equivalents & Treasury Securities	6,063	660,889	3.67 %	4,306	443,458	3.88 %
Total Interest Income/Average Interest Earning Assets	$ 274,342	$ 22,007,359	4.99 %	$ 210,182	$ 16,662,827	5.05 %
Interest-bearing Liabilities:						
Repurchase Agreements	(190,599)	19,598,413	(3.89)%	(169,936)	14,841,583	(4.58)%
Treasury Securities Sold Short	—	—	— %	(1,729)	—	— %
Total Interest Expense/Average Interest Bearing Liabilities	$ (190,599)	$ 19,598,413	(3.89)%	$ (171,665)	$ 14,841,583	(4.63)%
Net Interest Income/Net Interest Spread	$ 83,743		1.10 %	$ 38,517		0.42 %
Net Yield on Interest Earning Assets			1.52 %			0.92 %

	For the Nine Months Ended September 30, 2026			For the Nine Months Ended September 30, 2025		
	Interest Income (Expense)	Average Balance	Yield/Rate	Interest Income (Expense)	Average Balance	Yield/Rate
Interest-bearing Assets:						
Agency Securities, Net of Amortization	$ 764,683	$ 20,441,079	4.99 %	$ 554,787	$ 14,692,363	5.03 %
Cash Equivalents & Treasury Securities	22,730	840,521	3.61 %	9,162	397,887	3.07 %
Total Interest Income/Average Interest Earning Assets	$ 787,413	$ 21,281,600	4.93 %	$ 563,949	$ 15,090,250	4.98 %
	—					
Interest-bearing Liabilities:						
Repurchase Agreements	(556,137)	19,249,143	(3.85)%	(443,366)	12,999,819	(4.55)%
Treasury Securities Sold Short	—	—	— %	(12,620)	336,531	(5.00)%
Total Interest Expense/Average Interest Bearing Liabilities	$ (556,137)	$ 19,249,143	(3.85)%	$ (455,986)	$ 13,336,350	(4.56)%
Net Interest Income/Net Interest Spread	$ 231,276		1.08 %	$ 107,963		0.42 %
Net Yield on Interest Earning Assets			1.45 %			0.95 %

The yield on our assets is most significantly affected by the rate of repayments on our Agency Securities. The following graph shows the annualized CPR on a monthly basis for the quarterly periods ended on the dates shown below.



Other Income (Loss)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2026	2025	2026	2025
Other Income (Loss):				
Gain (Loss) on Agency Securities, trading, net	(1,165,185)	177,108	(1,390,404)	401,910
Gain (Loss) on U.S. Treasury Securities, net	(18,227)	6,197	(39,329)	(9,596)
Gain (Loss) on derivatives, net	792,440	(49,287)	983,700	(348,527)
Total Other Income (Loss)	$ (390,972)	$ 134,018	$ (446,033)	$ 43,787

Three and Nine Months Ended September 30, 2026 vs. Three and Nine Months Ended September 30, 2025

- Gain (Loss) on Agency Securities, trading, net includes mark to market changes in the fair value of our securities as well as the gain (loss) on sales.
  - The change in fair value of the securities was $(1,126,630) and $(1,358,579) for the three and nine months ended September 30, 2026 compared to $174,573 and $414,683 for the three and nine months ended September 30, 2025.
  - Sales of our Agency Securities, trading resulted in realized gains (losses) of $(38,555) and $(31,825) and $2,535 and $(12,773) for the three and nine months ended September 30, 2026 and September 30, 2025, respectively.
  - During the three and nine months ended September 30, 2026, and September 30, 2025, we sold $406,672 and $2,162,969 (inclusive of $67,401 of unsettled sales) and $412,008 and $1,638,221 (inclusive of $296,523 of unsettled sales), respectively, of Agency Securities, trading.

- Gain (Loss) on U.S. Treasury Securities, net resulted from the change in fair value of the securities as well as the gain (loss) on sales.
  - The change in fair value of the securities was $(12,890) and $(24,211) and $5,797 and $(9,996), for the three and nine months ended September 30, 2026 and September 30, 2025, respectively.
  - During the three and nine months ended September 30, 2026, we sold $95,188 and $586,590 of U.S. Treasury Securities, resulting in a realized loss of $(5,337) and $(15,118), respectively.
- Gain (Loss) on Derivatives resulted from a combination of the following:
  - Changes in fair value due to interest rate movements.
  - Interest rate swap contracts' aggregate notional balance was $16,954,000 at September 30, 2026 and $12,327,000 at December 31, 2025.
  - Our TBA Agency Securities aggregate notional balance was $830,000 at September 30, 2026.

Expenses

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2026	2025	2026	2025
Expenses:				
Management fees	$ 13,039	$ 11,703	$ 37,793	$ 33,532
Compensation	1,480	926	3,596	2,626
Other operating	1,998	2,297	7,635	9,559
Total Expenses	$ 16,517	$ 14,926	$ 49,024	$ 45,717
Less management fees waived	—	(1,650)	—	(4,950)
Total Expenses after fees waived	$ 16,517	$ 13,276	$ 49,024	$ 40,767

The Company is managed by ACM, pursuant to a management agreement. The management fees are determined based on gross equity raised. Therefore, management fees increase when we raise capital and decline when we repurchase previously issued stock and make liquidation distributions as approved and so designated by a majority of the Board. However, because the management fee rate decreases to 0.75% per annum for gross equity raised in excess of $1.0 billion pursuant to the management agreement, the effective management fee rate declines as equity is raised. The cost of repurchased stock and any dividends specifically designated by the Board as liquidation distributions will reduce the amount of gross equity raised used to calculate the monthly management fee. Realized and unrealized gains and losses do not affect the amount of gross equity raised. At September 30, 2026 and September 30, 2025, the effective management fee was 0.87% and 0.89% (prior to management fees waived) based on gross equity raised of $6,017,634 and $5,362,440, respectively. During the three and nine months ended September 30, 2025 ACM voluntarily waived management fees of $1,650 and $4,950, respectively, (see Note 13 - Related Party Transactions).

Compensation includes non-executive director compensation as well as the restricted stock units awarded to our Board and executive officers directly or through ACM. The fluctuation from year to year is due to the number of awards vesting.

Other Operating expenses include:

- Fees for market and pricing data, analytics and risk management systems and portfolio related data processing costs as well as stock exchange listing fees and similar stockholder related expenses, net of other miscellaneous income.
- Professional fees for securities clearing, legal, audit and consulting costs that are generally driven by the size and complexity of our securities portfolio, the volume of transactions we execute and the extent of research and due diligence activities we undertake on potential transactions.

- Insurance premiums for both general business and directors and officers liability coverage fluctuate from year to year due to changes in premiums.

Taxable Income

As a REIT that regularly distributes all of its taxable income, we are generally not required to pay federal income tax (see Note 12 to the consolidated financial statements).

Realized gains and losses on interest rate contracts and treasury futures terminated before their maturity are deferred and amortized over the remainder of the original term of the contract for REIT taxable income. At September 30, 2026 and December 31, 2025, we had approximately $(139,301) and $(313,284), respectively, of net deductible expense relating to previously terminated interest rate swap and treasury futures/shorts contracts amortizing through the year 2040. At September 30, 2026, we had $257,341 of net operating loss carryforwards available for use indefinitely.

Financial Condition

Investment In Securities

Our securities portfolio consists primarily of Agency Securities backed by fixed rate home loans. Our charter permits us to invest in MBS backed by fixed rate, hybrid adjustable rate and adjustable rate home loans as well as unsecured notes and bonds issued by GSEs, U.S. Treasuries and money market instruments, subject to certain income tests we must satisfy for our qualification as a REIT. Our TBA Agency Securities are reported at net carrying value and are reported in Derivatives, at fair value on our consolidated balance sheets (see Note 7 to the consolidated financial statements).

Agency Securities:

Agency Security purchase and sale transactions, including purchases and sales for forward settlement, are recorded on the trade date, based on the specific identification method, to the extent it is probable that we will take or make timely physical delivery of the related securities. Premiums and discounts associated with the purchase of Multi-Family MBS, which are generally not subject to prepayment, are amortized or accreted into interest income over the contractual lives of the securities using a level yield method. Premiums and discounts associated with the purchase of other Agency Securities are amortized or accreted into interest income over the actual lives of the securities, reflecting actual prepayments as they occur. Gains or losses realized from the sale of securities are included in income and are determined using the specific identification method. We purchase some of our Agency Securities at premium prices. The lower the prepayment rate, the lower the amount of amortization expense for a particular period. Accordingly, the yield on an asset and earnings are higher. If prepayment rates increase, the amount of amortization expense for a particular period will go up. These increased prepayment rates would act to decrease the yield on an asset and would decrease earnings.

Our net interest income is primarily a function of the difference between the yield on our assets and the financing (borrowing and hedging) cost of owning those assets. Since we tend to purchase Agency Securities at a premium to par, the main item that can affect the yield on our Agency Securities after they are purchased is the rate at which the mortgage borrowers repay the loan. While the scheduled repayments, which are the principal portion of the homeowners' regular monthly payments, are fairly predictable, the unscheduled repayments, which are generally refinancing of the mortgage but can also result from repurchases of delinquent, defaulted, or modified loans, are less so. Being able to accurately estimate and manage these repayment rates is a critical portion of the management of our securities portfolio, not only for estimating current yield but also for considering the rate of reinvestment of those proceeds into new securities, the yields on those new securities and the impact of the repayments on our hedging strategy.

TBA Agency Securities:

We account for TBA Agency Securities as derivative instruments if it is reasonably possible that we will not take or make physical delivery of the Agency Security upon settlement of the contract. TBA Agency Securities are forward contracts for the purchase ("long position") or sale ("short position") of Agency Securities at a predetermined price, face amount, issuer, coupon and stated maturity on an agreed-upon future date. The specific Agency Securities delivered pursuant to the contract upon the settlement date, published each month by the Securities Industry and Financial Markets Association, are not known at the time of the transaction. We estimate the fair value of TBA Agency Securities based on similar methods used to value our Agency Securities. TBA Agency Securities are included in the table below on a gross basis, as applicable, since they can be used to establish and finance portfolio positions in Agency Securities.

U.S. Treasury Securities:

From time to time, we may purchase U.S. Treasury Securities to tailor the overall risk characteristics of our investment securities portfolio. While U.S. Treasury Securities provide overall interest rate exposure, they are generally not sensitive to the other risks inherent in MBS.

The tables below summarize certain characteristics of our investments in securities at September 30, 2026 and December 31, 2025.

September 30, 2026	Principal Amount	Amortized Cost	Gross Unrealized Gain (Loss)	Fair Value	CPR [1]	Weighted Average Months to Maturity	Percent of Total
Agency Fixed Rates ≥ 181 months							
2.0%	$ 303,844	$ 248,321	$ (20,345)	$ 227,976	7.3 %	296	1.1 %
2.5%	266,440	218,856	(11,346)	207,510	3.9 %	309	1.0 %
3.0%	744,030	645,635	(38,446)	607,189	5.0 %	298	2.9 %
3.5%	901,211	859,943	(94,094)	765,849	5.8 %	308	3.6 %
4.0%	979,344	969,449	(106,906)	862,543	10.1 %	308	4.0 %
4.5%	2,189,239	2,148,525	(169,477)	1,979,048	6.8 %	328	9.3 %
5.0%	4,592,366	4,547,308	(272,670)	4,274,638	6.6 %	340	20.1 %
5.5%	6,241,977	6,280,464	(290,942)	5,989,522	9.2 %	336	28.1 %
6.0%	3,497,566	3,558,089	(107,175)	3,450,914	13.5 %	335	16.2 %
6.5%	392,862	404,752	(7,619)	397,133	17.9 %	334	1.9 %
Other Agency Securities							
Agency CMBS	1,302,787	1,308,600	(79,005)	1,229,595	n/a	97	5.8 %
Total Agency Securities	$ 21,411,666	$ 21,189,942	$ (1,198,025)	$ 19,991,917	8.3 %	317	94.0 %
TBA Agency Securities [2]							
30 Year Long, 5.5%	400,000	393,762	(12,679)	381,083	n/a	n/a	1.8 %
30 Year Long, 6.0%	330,000	332,787	(9,559)	323,228	n/a	n/a	1.5 %
30 Year Long, 6.5%	100,000	102,613	(2,164)	100,449	n/a	n/a	0.5 %
Total TBA Agency Securities	$ 830,000	$ 829,162	$ (24,402)	$ 804,760	n/a	n/a	3.8 %
U.S. Treasury Securities	$ 500,000	$ 498,837	$ (24,862)	$ 473,975	n/a	n/a	2.2 %
Total Investment in Securities	$ 22,741,666	$ 22,517,941	$ (1,247,289)	$ 21,270,652			100.0 %

(1) Weighted average CPR during the quarter for the securities owned at September 30, 2026. Negative CPR can occur if payments are not made on the first of the month and the scheduled principal amount is not received.

(2) Our TBA Agency Securities were recorded as derivative instruments in our accompanying consolidated financial statements. Our TBA Agency Securities were reported at a net carrying value of $(24,401), at September 30, 2026 and were reported in Derivatives, at fair value on our consolidated balance sheets (see Note 7 to the consolidated financial statements).

December 31, 2025	Principal Amount	Amortized Cost	Gross Unrealized Gain (Loss)	Fair Value	CPR [1]	Weighted Average Months to Maturity	Percent of Total
Agency Fixed Rates ≥ 181 months							
2.5%	$ 279,247	$ 229,375	$ 7,753	$ 237,128	3.8 %	318	1.2 %
3.0%	786,291	682,281	15,411	697,692	4.5 %	307	3.5 %
3.5%	1,214,594	1,164,509	(34,947)	1,129,562	6.2 %	317	5.6 %
4.0%	955,727	949,417	(33,903)	915,514	5.9 %	317	4.6 %
4.5%	1,109,874	1,097,323	(5,153)	1,092,170	7.1 %	324	5.5 %
5.0%	3,512,525	3,481,472	45,274	3,526,746	6.3 %	343	17.6 %
5.5%	5,784,032	5,812,792	86,973	5,899,765	10.4 %	343	29.5 %
6.0%	3,949,537	4,016,730	60,878	4,077,608	20.0 %	342	20.4 %
6.5%	702,504	722,927	11,653	734,580	31.4 %	342	3.6 %
Other Agency Securities							
Agency CMBS	1,086,473	1,100,260	6,615	1,106,875	n/a	48	5.5 %
Total Agency Securities	$ 19,380,804	$ 19,257,086	$ 160,554	$ 19,417,640	10.8 %	321	97.0 %
U.S. Treasury Securities	$ 600,000	$ 598,760	$ (651)	$ 598,109	n/a	n/a	3.0 %
Total Investments in Securities	$ 19,980,804	$ 19,855,846	$ 159,903	$ 20,015,749			100.0 %

(1) Weighted average CPR during the fourth quarter for the securities owned at December 31, 2025. Negative CPR can occur if payments are not made on the first of the month and the scheduled principal amount is not received.

The following tables summarize changes in our investments in securities as of September 30, 2026 and December 31, 2025, excluding TBA Agency Securities (see Note 7 to the consolidated financial statements).

	September 30, 2026		December 31, 2025		
	Agency Securities, Trading	U.S. Treasury Securities	Agency Securities, Trading	U.S Treasury Securities	U.S. Treasury Securities Sold Short
Balance, beginning of period	$ 19,417,640	$ 598,109	$ 12,439,414	$ —	$ (497,234)
Purchases [1]	6,165,650	501,709	9,796,487	1,200,838	504,277
Proceeds from sales	(1,751,196)	(586,590)	(1,634,243)	(603,493)	—
Receivable for unsettled sales	(411,773)	—	—	—	—
Principal repayments	(2,035,765)	—	(1,696,914)	—	—
Gains (losses)	(1,390,404)	(39,329)	514,836	854	(10,844)
Accrued interest payable	—	—	—	—	3,801
Amortization of purchase premium	(2,235)	76	(1,940)	(90)	—
Balance, end of period	$ 19,991,917	$ 473,975	$ 19,417,640	$ 598,109	$ —
Percentage of Portfolio	97.7 %	2.3 %	97.0 %	3.0 %	

(1) Purchases include cash paid during the period, plus payable for investment securities purchased during the period as of period end.

Repurchase Agreements, net

We have entered into repurchase agreements to finance the majority of our MBS. Our repurchase agreements are secured by our MBS and bear interest at rates that have moved in close relationship to the Federal Funds Rate and SOFR. We have established borrowing relationships with numerous investment banking firms and other lenders, 25 and 22 of which had open repurchase agreements with us at September 30, 2026 and December 31, 2025, respectively. We had outstanding balances under our repurchase agreements, net at September 30, 2026 and December 31, 2025 of $19,379,128 and $17,941,796, respectively. At September 30, 2026 and December 31, 2025, BUCKLER accounted for 49.8% and 47.0% of our aggregate borrowings and had an amount at risk of 8.0% and 7.1%, respectively, of our total stockholders' equity with a weighted average maturity of 9 days and 13 days, respectively, on repurchase agreements (see Note 6 to the consolidated financial statements).

Our repurchase agreements require excess collateral, known as a "haircut." At September 30, 2026, the average haircut percentage was 2.48% compared to 2.63% at December 31, 2025.

Derivative Instruments

We use various contracts to manage our interest rate risk as we deem prudent in light of market conditions and the associated costs with counterparties that have a high-quality credit rating and with futures exchanges. We generally pay a fixed rate and receive a floating rate with the objective of fixing a portion of our borrowing costs and hedging the change in our book value to some degree. The floating rate we receive is generally the Federal Funds Rate or SOFR. We had contractual commitments under derivatives at September 30, 2026 and December 31, 2025. At September 30, 2026 and December 31, 2025, we had derivatives with a net fair value of $1,335,805 and $592,241, respectively (see Note 7 to the consolidated financial statements).

At September 30, 2026, we had interest rate swap contracts with an aggregate notional balance of $16,954,000, a weighted average swap rate of 2.93% and a weighted average term of 56 months. At December 31, 2025, we had interest rate swap contracts with an aggregate notional balance of $12,327,000, a weighted average swap rate of 2.44% and a weighted average term of 51 months. We also had TBA Agency Securities with an aggregate notional balance of $830,000 at

September 30, 2026. We did not have TBA Agency Securities at December 31, 2025 (see Note 7 to the consolidated financial statements).

The following table details the changes in the fair value of our interest rate swap contracts for the nine months ended September 30, 2026 and for the year ended December 31, 2025.

Interest Swap Contracts	For the Nine Months Ended September 30, 2026	For the Year Ended December 31, 2025
Net Balance, beginning of period	$ 574,514	$ 894,715
Net interest rate swap contract payments received	(119,472)	(203,247)
Interest rate swap income accrued	414,764	433,274
Interest rate swap expense accrued	(314,003)	(250,397)
Unrealized gains (losses)	596,457	(368,209)
(Gain) Loss on early terminations	(19,934)	68,378
Net Balance, end of period	$ 1,132,326	$ 574,514

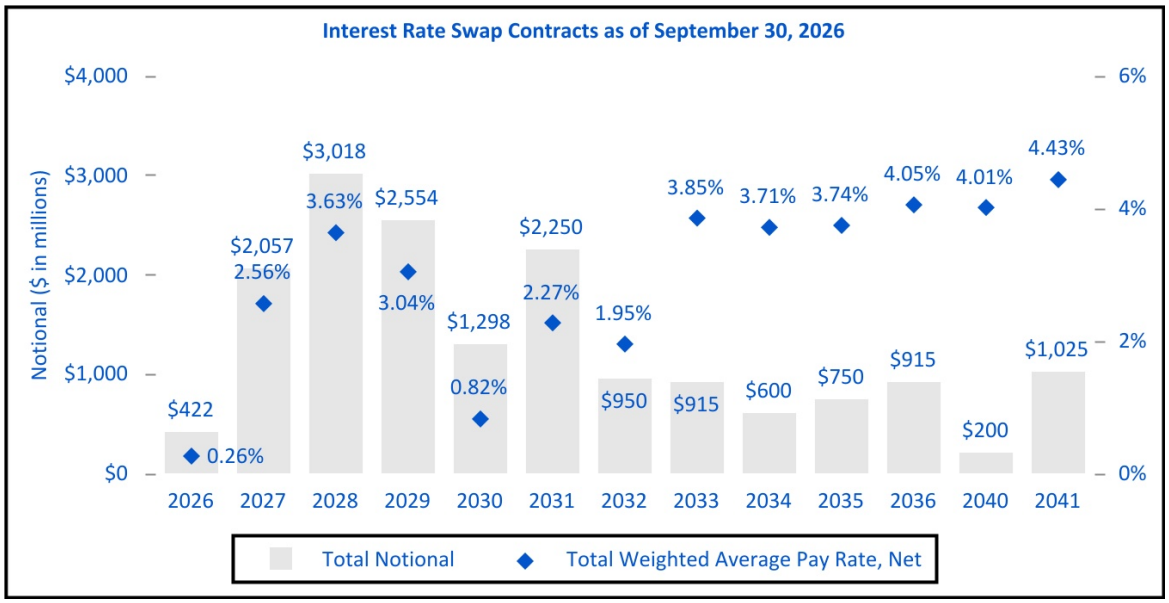
Our policies do not contain specific requirements as to the percentages or amount of interest rate risk that we are required to hedge. No assurance can be given that our derivatives will have the desired beneficial impact on our results of operations or financial condition. We have not elected cash flow hedge accounting treatment as allowed by GAAP. Since we do not designate our derivative activities as cash flow hedges, realized as well as unrealized gains/losses from these transactions will impact our GAAP earnings.

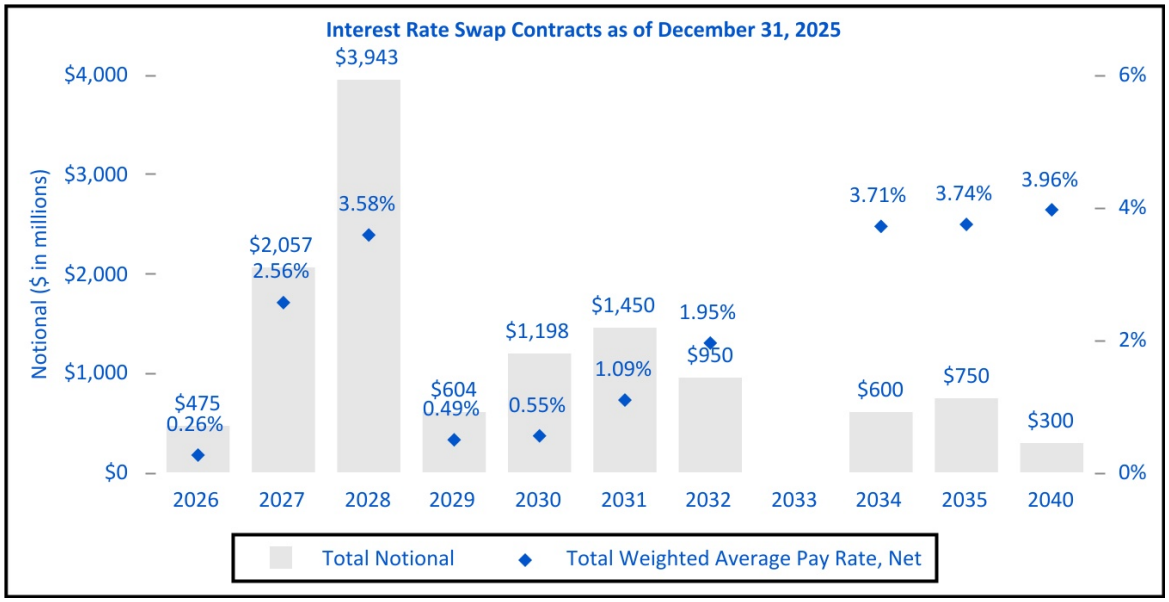
Although we attempt to structure our derivatives to offset the changes in asset prices, the complexity of the actual and expected prepayment characteristics of the underlying mortgages as well as the volatility in mortgage interest rates relative to U.S. Treasury and interest rate swap contract rates makes achieving high levels of offset difficult. We recognized net (losses) gains related to our derivatives of $792,440 and $983,700 and $(49,287) and $(348,527), for the three and nine months ended September 30, 2026 and September 30, 2025, respectively.

As required by the Dodd-Frank Act, the Commodity Futures Trading Commission has adopted rules requiring certain interest rate swap contracts to be cleared through a derivatives clearing organization. We are required to clear certain new interest rate swap contracts. Centrally-cleared interest rate swaps may have higher margin requirements than bilateral interest rate swaps. We have established an account with a futures commission merchant for this purpose. At September 30, 2026 and December 31, 2025, we had $11,873,000 and $7,193,000, respectively, of notional amount of centrally-cleared interest rate swap contracts.

We are required to account for our TBA Agency Securities as derivatives when it is reasonably possible that we will not take or make timely physical delivery of the related securities. However, from time to time, we use TBA Agency Securities primarily to effectively establish portfolio positions. See the section, "TBA Agency Securities" above.

The following graphs present the notional and weighted average interest rate of our interest rate swap contracts by year of maturity.





Liquidity and Capital Resources

At September 30, 2026, our liquidity totaled $1,019,337, consisting of $99,666 of cash and cash equivalents plus $919,671 of unencumbered Agency Securities and U.S. Treasury Securities (including securities received as reverse margin collateral). Our primary sources of funds are borrowings under repurchase arrangements, monthly principal and interest payments on our MBS and cash generated from our operating results.

We generally maintain liquidity to pay down borrowings under repurchase arrangements to reduce borrowing costs and otherwise efficiently manage our long-term investment capital. Because the level of our borrowings can be adjusted on a daily basis, the level of cash and cash equivalents carried on our consolidated balance sheet is significantly less important than our potential liquidity available under our borrowing arrangements. We continue to pursue additional lending counterparties in order to help increase our financial flexibility and ability to withstand periods of contracting liquidity in the credit markets.

In addition to the repurchase agreement financing discussed above, from time to time we have entered into reverse repurchase agreements with certain of our repurchase agreement counterparties. Under a typical reverse repurchase agreement, we purchase U.S. Treasury Securities from a borrower in exchange for cash and agree to sell the same securities back in the future. We then sell such U.S. Treasury Securities to third parties and recognize a liability to return the securities to the original borrower. Reverse repurchase agreement receivables and repurchase agreement liabilities are presented net when they meet certain criteria, including being with the same counterparty, being governed by the same MRA, settlement through the same brokerage or clearing account and maturing on the same day. The practical effect of these transactions is to replace a portion of our repurchase agreement financing of our MBS in our securities portfolio with short positions in U.S. Treasury Securities. We believe that this helps to reduce interest rate risk, and therefore counterparty credit and liquidity risk. Both parties to the repurchase and reverse repurchase transactions have the right to make daily margin calls based on changes in the value of the collateral obtained and/or pledged.

Our primary uses of cash are to purchase MBS, pay interest and principal on our borrowings, fund our operations and pay dividends. From time to time, we purchase or sell assets for forward settlement up to 90 days in the future to lock in purchase prices or sales proceeds. At September 30, 2026 and December 31, 2025, we financed our securities portfolio with $19,379,128 and $17,941,796 of borrowings under repurchase agreements, respectively.

We generally seek to borrow (on a recourse basis) between six and ten times the amount of our total stockholders' equity. Our debt to equity ratios at September 30, 2026 and December 31, 2025, were 8.24:1 and 7.94:1, respectively. Our leverage ratios, including our TBA Agency Securities, were 8.59:1 and 7.94:1 at September 30, 2026 and December 31, 2025, respectively. Implied leverage, including TBA Securities and forward settling sales and unsettled purchases was 8.41:1 and 8.07:1 at September 30, 2026 and December 31, 2025, respectively.

Securities Portfolio Matters

	For the Nine Months Ended September 30,	
	2026	2025
Securities purchased using proceeds from repurchase agreements and principal repayments	$ 6,667,359	$ 8,241,506
Average securities portfolio, including TBA Securities	$ 20,930,288	$ 15,089,030
Cash received from principal repayments on MBS	$ 2,035,765	$ 1,038,458
Net cash increase (decrease) from repurchase agreements	$ 1,437,332	$ 5,843,596
Cash interest payments made on liabilities	$ 759,080	$ 507,495
Net cash and cash equivalents and cash collateral posted to counterparties provided by operating activities	$ 420,669	$ 88,641

Other potential sources of liquidity include our automatic shelf registration filed with the SEC, pursuant to which we may offer an unspecified amount of shares of our common stock, preferred stock, warrants, depositary shares and debt securities.

The following tables present our equity transactions for the nine months ended September 30, 2026 and for the year ended December 31, 2025 (see Note 10 and Note 13 to the consolidated financial statements).

Transaction Type	Completion Date	Number of Shares	Per Share price [1]	Net Proceeds (costs)
September 30, 2026				
Preferred C ATM Sales Agreement	January 2, 2026 - September 8, 2026	628	$ 20.70	$ 13,002
2023 Common stock ATM Sales Agreement	January 6, 2026 - September 14, 2026	36,901	$ 17.34	$ 639,739
DRIP shares issued	January 26, 2026 - September 29, 2026	7	$ 16.51	$ 112
Common stock repurchased	March 20, 2026 - September 8, 2026	(489)	$ 14.66	$ (7,162)
December 31, 2025				
Preferred C ATM Sales Agreement	January 22, 2025 - December 31, 2025	201	$ 20.50	$ 4,118
August 2025 Public Offering	August 5, 2025	18,500	$ 16.14	$ 298,502
2023 Common stock ATM Sales Agreement	January 2, 2025 - July 30, 2025	32,290	$ 17.82	$ 575,554
DRIP shares issued	January 27, 2025 - December 29, 2025	7	$ 16.59	$ 111
Common stock repurchased	April 8, 2025 -September 22, 2025	(1,351)	$ 14.77	$ (19,947)

(1) Weighted average price.

Other Contractual Obligations

The Company is managed by ACM, pursuant to a management agreement (see Note 8 and Note 13 to the consolidated financial statements). The management agreement runs through March 31, 2033 and is thereafter automatically renewed for an additional five-year term unless terminated under certain circumstances.

The following table reconciles the fees incurred in accordance with the management agreement for the three and nine months ended September 30, 2026 and September 30, 2025 (see Note 8 to the consolidated financial statements).

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2026	2025	2026	2025
ARMOUR management fees	$ 13,039	$ 11,703	$ 37,793	$ 33,532
Less management fees waived	—	(1,650)	—	(4,950)
Total management fee expense	$ 13,039	$ 10,053	$ 37,793	$ 28,582

We adopted the 2009 Stock Incentive Plan (as amended, the "Plan") to attract, retain and reward directors and other persons who provide services to us in the course of operations. The Plan authorizes the Board to grant awards including common stock, restricted shares of common stock ("RSUs"), stock options, performance shares, performance units, stock appreciation rights and other equity and cash-based awards (collectively, "Awards"), subject to terms as provided in the Plan. At September 30, 2026, there were 383 shares available for future issuance under the Plan.

At September 30, 2026, there was approximately $15,565 of unvested stock based compensation related to the Awards (based on a weighted grant date price of $18.53 per share), which we expect to recognize as an expense as follows: for the remainder of 2026 an expense of $1,006, in 2027 an expense of $3,699, and thereafter an expense of $10,860. Our

policy is to account for forfeitures as they occur. We also pay each of our non-executive Board members quarterly fees, which are payable in cash, common stock, RSUs or a combination of common stock, RSUs and cash at the option of the director. Compensation to be paid to our non-executive Board in the form of cash and common equity is $1,219 annually (see Note 9 to the consolidated financial statements).

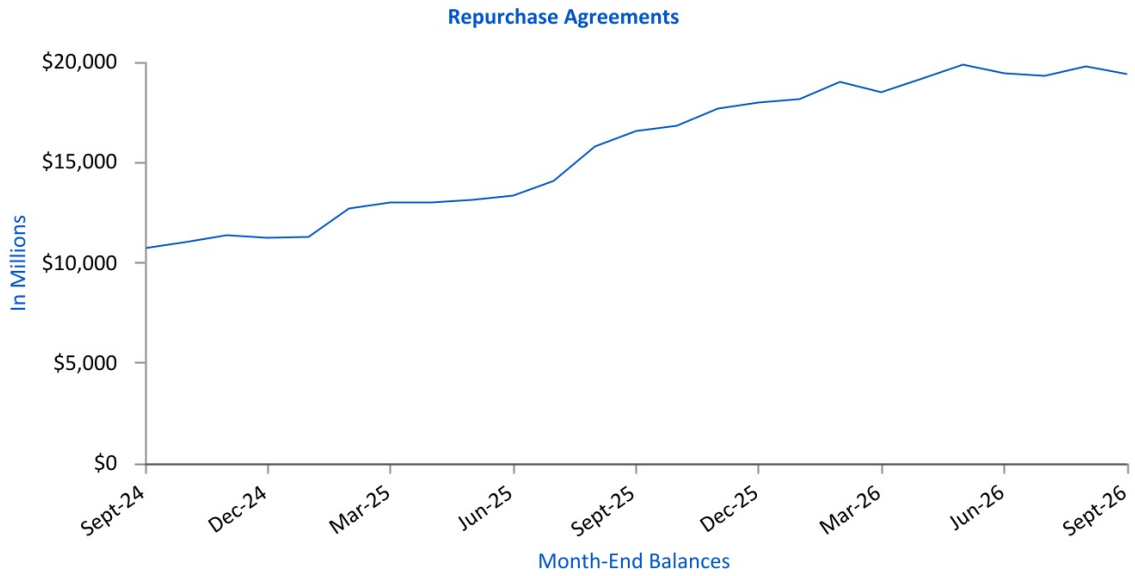
We currently believe that we have sufficient liquidity and capital resources available for the acquisition of additional investments, repayments on repurchase borrowings, reacquisition of securities to be returned to borrowers and the payment of cash dividends as required for continued qualification as a REIT.

Repurchase Agreements, net

Declines in the value of our Agency Securities portfolio can trigger margin calls by our lenders under our repurchase agreements. An event of default or termination event under the standard MRA would give our counterparty the option to terminate all repurchase transactions existing with us and require any amount due to be payable immediately.

Changing capital or other financial market regulatory requirements may cause our lenders to exit the repurchase market, increase financing rates, tighten lending standards or increase the amount of required equity capital or haircut we post, any of which could make it more difficult or costly for us to obtain financing.

The following graph represents the outstanding balances of our repurchase agreements (before the effect of netting reverse repurchase agreements), which finance most of our MBS. Our repurchase agreements balance will fluctuate based on our change in capital, leverage targets and the market prices of our assets (including the effects of principal paydowns) and the level and timing of investment and reinvestment activity (see Note 6 and Note 13 to the consolidated financial statements).



Effects of Margin Requirements, Leverage and Credit Spreads

Our MBS have values that fluctuate according to market conditions and, as discussed above, the market value of our MBS will decrease as prevailing interest rates or credit spreads increase. When the value of the securities pledged to secure a repurchase agreement decreases to the point where the positive difference between the collateral value and the loan amount is less than the haircut, our lenders may issue a margin call, which requires us to pay the difference in cash or pledge additional collateral to meet the obligations under our repurchase agreements. Under our repurchase facilities, our lenders have full discretion to determine the value of the MBS we pledge to them. Most of our lenders will value securities based on recent trades in the market. Lenders also issue margin calls as the published current principal balance factors change on the pool of mortgages underlying the securities pledged as collateral when scheduled and unscheduled principal repayments are announced monthly.

Forward-Looking Statements Regarding Liquidity

Based on our current portfolio, leverage rate and available borrowing arrangements, we believe that our cash flow from operations and our ability to make timely portfolio adjustments will be sufficient to enable us to meet anticipated short-term (one year or less) liquidity requirements such as to fund our investment activities, meet our financing obligations, pay fees under the management agreement and fund our distributions to stockholders and pay general corporate expenses.

We may increase our capital resources by obtaining long-term credit facilities or making public or private offerings of equity or debt securities, including classes of preferred stock, common stock and senior or subordinated notes to meet our liquidity requirements. As of the date hereof, we have "at-the-market" offering programs with 2,324 shares of 7.00% Series C Cumulative Redeemable Preferred Stock available under the Preferred C ATM Sales Agreement and 18,360 shares of common stock available under the 2023 Common stock ATM Sales Agreement. In accordance with the terms of these agreements, we may offer and sell shares of stock over a period of time and from time to time, with BUCKLER and other agents as sales agents (see Note 10 to the consolidated financial statements). These liquidity requirements include maturing repurchase agreements, settling TBA Agency Security positions and potentially making net payments on our interest rate swap contracts, and in each case, continuing to meet ongoing margin requirements. Such financing will depend on market conditions for capital raises and for the investment of any proceeds and there can be no assurances that we will successfully obtain any such financing.

Stockholders' Equity

See Note 10 to the consolidated financial statements.

Critical Accounting Estimates

Valuation

Fair value is based on valuations obtained from third-party pricing services and/or dealer quotes. The third-party pricing services use common market pricing methods that include valuation models which incorporate such factors as coupons, collateral type, bond structure, historical and projected future prepayment speeds, priority of payments, historical and projected future delinquency rates and default severities, spread to the Treasury curve and interest rate swap curves, duration, periodic and life caps and credit enhancement. If the fair value of the MBS is not available from the third-party pricing services or such data appears unreliable, we obtain pricing indications from up to three dealers who make markets in similar MBS. Management reviews pricing used to ensure that current market conditions are properly reflected. This review includes, but is not limited to, comparisons of similar market transactions or alternative third-party pricing services, dealer pricing indications and comparisons to a third-party pricing model.

Valuation modeling is required because each individual MBS pool is a separately identified security with individual combinations of characteristics that influence market pricing. While the Agency Security market is generally very active and

liquid within the context of broader classes of MBS, any particular security will likely trade infrequently. Our bilateral contracts with individual dealers and counterparties are not cleared through recognized clearing organizations, and valuation models for these positions rely on information from the active and liquid general interest rate swap market to infer the value of these unique positions.

From time to time, we challenge the information and valuations we receive from third-party pricing services. Occasionally, the third-party pricing services revise their information or valuations as a result of such challenges. While we have concluded that the fair values reflected in the financial statements are appropriate, there is no way to verify that the particular fair value estimated for any individual position represents the price at which it may actually be bought or sold at any given date.

Fair value for our U.S. Treasury Securities is based on obtaining a valuation for each U.S. Treasury Security from third-party pricing services and/or dealer quotes.

Inflation

Virtually all of our assets and liabilities are interest rate-sensitive in nature. As a result, interest rates and other factors influence our performance far more than inflation. Changes in interest rates do not necessarily correlate with inflation rates or changes in inflation rates. Our financial statements are prepared in accordance with GAAP and any distributions we may make will be determined by our Board based in part on our REIT taxable income as calculated according to the requirements of the Code; in each case, our activities and balance sheet are measured with reference to fair value without considering inflation.

Subsequent Events

See Note 10, Note 13 and Note 15 to the consolidated financial statements.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The forward-looking statements in this report are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. These beliefs, assumptions and expectations are subject to risks and uncertainties and can change as a result of many possible events or factors, not all of which are known to us. If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements. See Part II, Item 1A. "Risk Factors" of this Quarterly Report on Form 10-Q and Part I, Item 1A. "Risk Factors" of our most recent Annual Report on Form 10-K. You should carefully consider these risks before you make an investment decision with respect to our stock, along with the following factors that could cause actual results to vary from our forward-looking statements:

- risks related to governmental regulation, including uncertainties from the U.S. federal administration, including the impact of sanctions, tariffs and other trade policies of the U.S. and its global trading partners;
- changes in interest rates, interest rate spreads and the yield curve or prepayment rates;
- political, regulatory or market uncertainty, including economic downturns and heightened geopolitical tensions and conflicts, may continue to adversely affect the U.S. economy, which may lead the Fed to take actions that may impact our business;
- the impact of the federal conservatorship of Fannie Mae and Freddie Mac and related efforts, along with any changes in laws and regulations affecting the relationship between Fannie Mae and Freddie Mac and the federal government and the Fed system;
- the possible material adverse effect on our business if the U.S. Congress passed legislation reforming or winding down Fannie Mae or Freddie Mac;

- mortgage loan modification programs and future legislative action;
- actions by the Fed which could cause a change of the yield curve, which could materially adversely affect our business, financial condition and results of operations and our ability to pay distributions to our stockholders;
- availability, terms and deployment of capital;
- changes in economic conditions generally;
- the impact of a new pandemic on our operations;
- general volatility of the financial markets, including markets for mortgage securities;
- a downgrade of the U.S. Government's or certain European countries' credit ratings and future downgrades of the U.S. Government's or certain European countries' credit ratings may materially adversely affect our business, financial condition and results of operations;
- our inability to maintain the level of non-taxable returns of capital through the payment of dividends to our stockholders or to pay dividends to our stockholders at all;
- inflation or deflation;
- the impact of a shutdown of the U.S. Government;
- availability of suitable investment opportunities;
- the degree and nature of our competition, including competition for MBS;
- changes in our business and investment strategy;
- our failure to maintain our qualification as a REIT;
- our failure to maintain an exemption from being regulated as a commodity pool operator;
- our dependence on ACM and ability to find a suitable replacement if ACM was to terminate its management relationship with us;
- the existence of conflicts of interest in our relationship with ACM, BUCKLER, certain of our directors and our officers, which could result in decisions that are not in the best interest of our stockholders;
- the potential for BUCKLER's inability to access attractive repurchase financing on our behalf or secure profitable third-party business;
- our management's and certain directors' competing duties to other affiliated entities, which could result in decisions that are not in the best interest of our stockholders;
- changes in personnel at ACM or the availability of qualified personnel at ACM;
- limitations imposed on our business by our status as a REIT under the Code;
- the potential burdens on our business of maintaining our exclusion from the 1940 Act and possible consequences of losing that exclusion;
- changes in GAAP, including interpretations thereof;
- changes in applicable laws and regulations, including to federal tax law and other regulatory provisions as a result of the One Big Beautiful Bill Act being signed into law; and
- changes in effectiveness of our controls.

We cannot guarantee future results, levels of activity, performance or achievements. You should not place undue reliance on forward-looking statements, which apply only as of the date of this report. We do not intend and disclaim any duty or obligation to update or revise any industry information or forward-looking statements set forth in this report to reflect new information, future events or otherwise, except as required under the U.S. federal securities laws.

GLOSSARY OF TERMS
ARMOUR Residential REIT, Inc.

Term	Definition
2023 Common stock ATM Sales Agreement	An equity sales agreement that we entered into on July 26, 2023 with BUCKLER, JonesTrading Institutional Services LLC, Citizens JMP Securities, LLC (formerly JMP Securities LLC), Ladenburg Thalmann & Co. Inc. and B. Riley Securities, Inc., as sales agents, as amended on October 25, 2023 to add StockBlock Securities LLC as a sales agent, as amended on June 20, 2024 to add BTIG, LLC as a sales agent, as amended on August 23, 2024 to increase the number of shares of the Company's common stock that may be offered and sold under the agreement by 25,000, as amended on September 20, 2024, to add Janney Montgomery Scott LLC as a sales agent, as amended on February 13, 2025, to increase the number of shares of the Company's common stock that may be offered and sold under the agreement by 15,000, as amended on July 25, 2025, to increase the number of shares of the Company's common stock that may be offered and sold under the agreement by 9,500, as amended on January 28, 2026, to increase the number of shares of our common stock that may be offered and sold under the agreement by 15,000 and to remove Janney as a sales agent, and to add Huntington Securities, Inc. as a sales agent, and as further amended on July 24, 2026, to increase the number of shares of our common stock that may be offered and sold under the agreement by 25,000, pursuant to which we may offer and sell over a period of time and from time to time up to 104,500 shares of our common stock, par value $0.001 per share.
Agency CMBS	Commercial mortgage backed securities.
Agency Securities	Securities issued or guaranteed by Fannie Mae, Freddie Mac and Ginnie Mae; interests in or obligations backed by pools of fixed rate, hybrid adjustable rate and adjustable rate mortgage loans.
Basis swap contracts	Derivative contracts that allow us to exchange one floating interest rate basis for another, for example, Federal Funds Rate and SOFR, thereby allowing us to diversify our floating rate basis exposures.
Board	ARMOUR's Board of Directors.
BUCKLER	A Delaware limited liability company, and a FINRA-regulated broker-dealer. The primary purpose of our investment in BUCKLER is to facilitate our access to repurchase financing, on potentially more attractive terms (considering rate, term, size, haircut, relationship and funding commitment) compared to other suitable repurchase financing counterparties.
CFO	Chief Financial Officer of ARMOUR, Gordon Harper.
CME	Chicago Mercantile Exchange.
CEO	Chief Executive Officer of ARMOUR, Scott Ulm.
Code	The Internal Revenue Code of 1986.
Common Stock Repurchase Program	ARMOUR's common stock repurchase program originally authorized by our Board on December 17, 2012, as amended from time to time.
CPR	Constant prepayment rate.
Dodd-Frank Act	The Dodd-Frank Wall Street Reform and Consumer Protection Act.
Exchange Act	Securities Exchange Act of 1934.
Fannie Mae	The Federal National Mortgage Association.
Fed	The U.S. Federal Reserve.
Federal Funds Rate	Federal Funds Effective Rate.
FINRA	The Financial Industry Regulatory Authority. A private corporation that acts as a self-regulatory organization.
Freddie Mac	The Federal Home Loan Mortgage Corporation.
GAAP	Accounting principles generally accepted in the United States of America.
Ginnie Mae	The Government National Mortgage Administration.
GSE	A U.S. Government Sponsored Entity. Obligations of agencies originally established or chartered by the U.S. government to serve public purposes as specified by the U.S. Congress; these obligations are not explicitly guaranteed as to the timely payment of principal and interest by the full faith and credit of the U.S. government.

ARMOUR Residential REIT, Inc.
GLOSSARY OF TERMS (continued)

Haircut	The weighted average margin requirement, or the percentage amount by which the collateral value must exceed the loan amount. Among other things, it is a measure of our unsecured credit risk to our lenders.
Hybrid	A mortgage that has a fixed rate for an initial term after which the rate becomes adjustable according to a specific schedule.
ISDA	International Swaps and Derivatives Association.
MBS	Mortgage backed securities. A security representing a direct interest in a pool of mortgage loans. The pass-through issuer or servicer collects the payments on the loans in the pool and “passes through” the principal and interest to the security holders on a pro rata basis.
MRA	Master repurchase agreement. A document that outlines standard terms between the Company and counterparties for repurchase agreement transactions.
Multi-Family MBS	MBS issued under Fannie Mae's Delegated Underwriting System (DUS) program.
Preferred C ATM Sales Agreement	An equity sales agreement that we entered into on January 20, 2020 with B. Riley Securities, Inc. (formerly B. Riley FBR, Inc.) and BUCKLER, as sales agents, as amended on June 20, 2024 to add BTIG, LLC as a sales agent, pursuant to which we may offer and sell, over a period of time and from time to time, through one or more of the agents, up to 6,550 shares of Series C Preferred Stock.
REIT	Real Estate Investment Trust. A special purpose investment vehicle that provides investors with the ability to participate directly in the ownership or financing of real-estate related assets by pooling their capital to purchase and manage mortgage loans and/or income property.
SEC	The Securities and Exchange Commission.
SOFR	Secured overnight financing rate. A measure of the cost of borrowing cash overnight collateralized by U.S. Treasury Securities.
TBA Agency Securities	Forward contracts for the purchase (“long position”) or sale (“short position”) of Agency Securities at a predetermined price, face amount, issuer, coupon and stated maturity on an agreed-upon future date.
TBA Drop Income	The discount associated with TBA Agency Securities contracts which reflects the expected interest income on the underlying deliverable Agency Securities, net of an implied financing cost, which would have been earned by the buyer if the TBA Agency Securities contract had settled on the next regular settlement date instead of the forward settlement date specified. TBA Drop Income is calculated as the difference between the forward settlement price of the TBA Agency Securities contract and the spot price of similar TBA Agency Securities contracts for regular settlement. The Company generally accounts for TBA Agency Securities contracts as derivatives and TBA Drop Income is included as part of the periodic changes in fair value of the TBA Agency Securities that the Company recognizes in the Other Income (Loss) section of its Consolidated Statement of Operations.
TRS	Taxable REIT subsidiary.
U.S.	United States.
1940 Act	The Investment Company Act of 1940.

Item 3. Quantitative and Qualitative Disclosures about Market Risk
ARMOUR Residential REIT, Inc.

We seek to create stockholder value through thoughtful investment and risk management of a leveraged and diversified portfolio of MBS. While we do not seek to avoid risk completely, we believe the risk can be quantified from historical experience and seek to actively manage that risk, to earn sufficient compensation to justify taking those risks and to maintain capital levels consistent with the risks we undertake.

Interest Rate Risk

Our primary market risk is interest rate risk. Interest rates are highly sensitive to many factors, including governmental monetary and tax policies, domestic and international economic and political considerations and other factors beyond our control. Changes in the general level of interest rates can affect net interest income, which is the difference between the interest income earned on our assets and the interest expense incurred in connection with our liabilities, by affecting the spread between the interest-earning assets and interest-bearing liabilities. Changes in the level of interest rates also can affect the value of MBS and our ability to realize gains from the sale of these assets. A decline in the value of the MBS pledged as collateral for borrowings under repurchase agreements could result in the counterparties demanding additional collateral pledges or liquidation of some of the existing collateral to reduce borrowing levels.

Our borrowings are not subject to similar restrictions and are generally repurchase agreements of limited duration that track the Federal Funds Rate and SOFR and are periodically refinanced at current market rates. Therefore, on average, our cost of funds may rise or fall more quickly than our earnings rate on our assets. Hence, in a period of increasing interest rates, interest rates on our borrowings could increase without limitation, while the changes in the interest rates on our mortgage related assets could be limited. These factors could lower our net interest income or cause a net loss during periods of rising interest rates, which would negatively impact our liquidity, net income and our ability to make distributions to stockholders.

We anticipate that in most cases the interest rates, interest rate indices and repricing terms of our mortgage assets and our funding sources will not be identical, thereby creating an interest rate mismatch between assets and liabilities. These indices generally move in the same direction, but there can be no assurance that this will continue to occur. Furthermore, our net income may vary somewhat as the spread between one-month interest rates, the typical term for our repurchase agreements, and the interest rates on our mortgage assets varies. During periods of changing interest rates, such interest rate mismatches could negatively impact our net interest income, dividend yield and the market price of our stock.

Another component of interest rate risk is the effect changes in interest rates will have on the market value of our MBS. We face the risk that the market value of our MBS will increase or decrease at different rates than that of our liabilities, including our derivative instruments and obligations to return securities received as collateral.

We primarily assess our interest rate risk by estimating the effective duration of our assets and the effective duration of our liabilities and by estimating the time difference between the interest rate adjustment of our assets and the interest rate adjustment of our liabilities. Effective duration essentially measures the market price volatility of financial instruments as interest rates change. We generally estimate effective duration using various financial models and empirical data. Different models and methodologies can produce different effective duration estimates for the same securities.

The sensitivity analysis tables presented below reflect the estimated impact of an instantaneous parallel shift in the yield curve, up and down 50 and 100 basis points, on the market value of our interest rate-sensitive investments and net interest income, at September 30, 2026 and December 31, 2025. It assumes that the mortgage spread on our MBS remains constant. Actual interest rate movements over time will likely be different, and such differences may be material. When evaluating the impact of changes in interest rates, prepayment assumptions and principal reinvestment rates are adjusted based on ACM’s expectations. Interest rates for interest rate swaps and repurchase agreements are assumed to remain positive. The analysis presented utilized assumptions, models and estimates of ACM based on ACM's judgment and experience.

ARMOUR Residential REIT, Inc.
Market Risk Disclosures (continued)

Change in Interest Rates	Net Interest Income	Percentage Change in Projected Portfolio Including Derivatives	Shareholder's Equity
September 30, 2026			
1.00%	0.27%	(0.46)%	(4.37)%
0.50%	0.13%	(0.21)%	(2.03)%
(0.50)%	(0.08)%	0.17%	1.57%
(1.00)%	0.06%	0.13%	1.20%
December 31, 2025			
1.00%	(6.31)%	(0.99)%	(8.98)%
0.50%	(3.25)%	(0.38)%	(3.44)%
(0.50)%	3.55%	(0.05)%	(0.41)%
(1.00)%	7.46%	(0.59)%	(5.36)%

While the tables above reflect the estimated immediate impact of interest rate increases and decreases on a static securities portfolio, we rebalance our securities portfolio from time to time either to seek to take advantage of or reduce the impact of changes in interest rates. It is important to note that the impact of changing interest rates on market value and net interest income can change significantly when interest rates change beyond 100 basis points from current levels. Therefore, the volatility in the market value of our assets could increase significantly when interest rates change beyond amounts shown in the tables above. In addition, other factors impact the market value of and net interest income from our interest rate-sensitive investments and derivative instruments, such as the shape of the yield curve, market expectations as to future interest rate changes and other market conditions. Accordingly, interest income would likely differ from that shown above and such difference might be material and adverse to our stockholders.

Mortgage Spread Risk

Weakness in the mortgage market may adversely affect the performance and market value of our investments. This could negatively impact our book value. Furthermore, if our lenders are unwilling or unable to provide additional financing, we could be forced to sell our MBS at an inopportune time when prices are depressed.

The table below quantifies the estimated changes in the fair value of our securities portfolio and in our stockholders' equity as of September 30, 2026 and December 31, 2025. The estimated impact of changes in spreads is in addition to our interest rate sensitivity presented above. Our securities portfolio's sensitivity to mortgage spread changes will vary with changes in interest rates and in the size and composition of our securities portfolio. Therefore, actual results could differ materially from our estimates.

	September 30, 2026		December 31, 2025	
	Percentage Change in Projected		Percentage Change in Projected	
Change in MBS spread	Portfolio Value	Shareholders' Equity	Portfolio Value	Shareholders' Equity
+25 BPS	(1.37)%	(12.43)%	(1.16)%	(10.24)%
+10 BPS	(0.55)%	(4.97)%	(0.46)%	(4.10)%
-10 BPS	0.55%	4.97%	0.46%	4.10%
-25 BPS	1.37%	12.43%	1.16%	10.24%

ARMOUR Residential REIT, Inc.
Market Risk Disclosures (continued)

Prepayment Risk

As we receive payments of principal on our MBS, premiums paid on such securities are amortized against interest income and discounts are accreted to interest income as realized. Premiums arise when we acquire MBS at prices in excess of the principal balance of the mortgage loans underlying such MBS. Conversely, discounts arise when we acquire MBS at prices below the principal balance, adjusted for expected impairment losses, of the mortgage loans underlying such MBS. Volatility in actual prepayment speeds will create volatility in the amount of premium amortization we recognize. Higher speeds will reduce our interest income and lower speeds will increase our interest income.

Credit Risk

We have limited our exposure to impairment losses on our securities portfolio of Agency Securities. The payment of principal and interest on the Freddie Mac and Fannie Mae Agency Securities are guaranteed by those respective agencies and the payment of principal and interest on the Agency Securities guaranteed by Ginnie Mae are backed by the full faith and credit of the U.S. Government. Fannie Mae and Freddie Mac remain in conservatorship of the U.S. Government. There can be no assurances as to how or when the U.S. Government will end these conservatorships or how the future profitability of Fannie Mae and Freddie Mac and any future credit rating actions may impact the credit risk associated with Agency Securities and, therefore, the value of the Agency Securities. All of our Agency Securities are issued and guaranteed by GSEs or Ginnie Mae. The GSEs have a long term credit rating of AA+.

Liquidity Risk

Our primary liquidity risk arises from financing long-maturity MBS with short-term debt. The interest rates on our borrowings adjust frequently while the interest rates on our MBS are fixed. Accordingly, in a period of rising interest rates, our borrowing costs will usually increase faster than our interest earnings from MBS. Our repurchase agreements require that we maintain adequate pledged collateral. A decline in the value of the MBS pledged as collateral for borrowings under repurchase agreements could result in the counterparties demanding additional collateral pledges or liquidation of some of the existing collateral to reduce borrowing levels.

Operational Risk

We rely on our financial, accounting and other data processing systems. Computer malware, viruses, computer hacking and phishing attacks have become more prevalent in our industry and may occur on our systems. Although we have not detected a material cybersecurity breach to date, or encountered any risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, that have materially affected or are reasonably likely to affect the Company, including its business strategy, results of operations or financial condition, other financial services institutions have reported material breaches of their systems, some of which have been significant. Even with all reasonable security efforts, not every breach can be prevented or even detected. It is possible that we have experienced an undetected breach. There is no assurance that we, or the third parties that facilitate our business activities, have not or will not experience a breach. It is difficult to determine what, if any, negative impact may directly result from any specific interruption or cyber-attacks or security breaches of our networks or systems (or the networks or systems of third parties that facilitate our business activities), any failure to maintain performance.

ACM has established an IT Governance Committee (the "ITGC") to help mitigate technology risks including cybersecurity. One of the roles of the ITGC is to oversee cyber risk assessments, monitor applicable key risk indicators, review cybersecurity training procedures, oversee the Company's Cybersecurity Policies, including an incident response plan, and engage third parties to conduct periodic penetration testing. Our cybersecurity risk assessment includes an evaluation of cyber risk related to sensitive data held by third parties on their systems. There is no assurance that these efforts will effectively mitigate cybersecurity risk and mitigation efforts are not an assurance that no cybersecurity incidents will occur.

In addition, our Audit Committee periodically monitors and oversees our information and cybersecurity risks including reviewing and approving any information and cybersecurity policies, procedures and resources, and reviewing our information and cybersecurity risk assessment, detection, protection, and mitigation systems.

Item 4. Controls and Procedures
ARMOUR Residential REIT, Inc.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and to ensure that information required to be disclosed in our reports filed or furnished under the Exchange Act, is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosures. Our CEO and CFO participated in an evaluation by our management of the effectiveness of our disclosure controls and procedures as of the end of our third quarter that ended on September 30, 2026. Based on their participation in that evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of September 30, 2026.

Internal Control Over Financial Reporting

Our CEO and CFO participated in an evaluation by our management of any changes in our internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act that occurred during the third quarter ended September 30, 2026. That evaluation did not identify any changes that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION
ARMOUR Residential REIT, Inc.

Item 1. Legal Proceedings

During the quarter ended September 30, 2026, there have been no material changes to the legal proceedings disclosed in our Annual Report on Form 10–K for the year ended December 31, 2025, filed with the SEC on February 18, 2026.

Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in our Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on February 18, 2026.

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

Issuer Purchases of Equity Securities

The following table presents information regarding our repurchases of common stock made during the three months ended September 30, 2026 (in thousands, except per share price).

Period	Total Number of Shares Purchased [1]	Average Price Paid Per Share [2]	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet Be Purchased Under the Publicly Announced Plans or Programs [3]
July 1, 2026 through July 31, 2026	—	$ —	—	5,000
August 1, 2026 through August 31, 2026	—	—	—	—
September 1, 2026 through September 30, 2026	(364)	$ 14.16	(364)	4,636
Totals	(364)	$ 14.16	(364)	4,636

(1) All shares were repurchased pursuant to the Common Stock Repurchase Program (see Note 10 to the consolidated financial statements).

(2) Weighted average share price, including fees and commissions.

(3) The Board authorized the Common Stock Repurchase Program, which was announced on December 17, 2012, to initially authorize the Company to repurchase up to $100 million of its outstanding shares of common stock. The Board subsequently amended the repurchase authorization (a) from $100 million shares to 50,000 shares (such number not reflecting the Company's one-for-eight reverse stock split of its common stock or the Company's one-for-five reverse stock split), (b) to 9,000 shares effective in connection with the Company's one-for-eight reverse stock split of its common stock, (c) back up to 9,000 shares (1,800 as adjusted for the Company's one-for-five reverse stock split), (d) up to 2,500 shares and (e) most recently, effective April 21, 2026, up to 5,000 shares. At September 30, 2026 there were 4,636 authorized shares remaining under the current Common Stock Repurchase Program.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

PART II. OTHER INFORMATION
ARMOUR Residential REIT, Inc.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Index	
Exhibit Number	**Description**
3.1	Articles of Amendment to Articles of Amendment and Restatement (Incorporated by reference to Exhibit 3.1 to ARMOUR's Current Report on Form 8-K filed with the SEC on July 24, 2026)
10.1	Amendment No. 8, dated July 24, 2026, by and among ARMOUR Residential REIT, Inc. and ARMOUR Capital Management LP, and BUCKLER Securities LLC, B. Riley Securities, Inc., BTIG, LLC, Citizens JMP Securities, LLC, JonesTrading Institutional Services LLC, Ladenburg Thalmann & Co. Inc., StockBlock Securities LLC, and Huntington Securities, Inc. (Incorporated by reference to Exhibit 1.1 to ARMOUR's Current Report on Form 8-K filed with the SEC on July 24, 2026).
31.1	Certification of Chief Executive Officer Pursuant to SEC Rule 13a-14(a)/15d-14(a) (1)
31.2	Certification of Chief Financial Officer Pursuant to SEC Rule 13a-14(a)/15d-14(a) (1)
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. §1350 (2)
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. §1350 (2)
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document (1)
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document (1)
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document (1)
101.LAB	XBRL Taxonomy Extension Label Linkbase Document (1)
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document (1)
104	Cover Page Interactive Data (formatted as Inline XBRL and contained in Exhibit 101)

(1) Filed herewith.
(2) Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

October 21, 2026

ARMOUR RESIDENTIAL REIT, INC.

/s/ Gordon M. Harper

Gordon M. Harper
Chief Financial Officer, Duly Authorized Officer,
Principal Financial Officer and Principal Accounting Officer

EXHIBIT 31.1

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Scott J. Ulm of ARMOUR Residential REIT, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended September 30, 2026 of ARMOUR Residential REIT, Inc. (the "registrant");

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: October 21, 2026

ARMOUR RESIDENTIAL REIT, INC.

By: /s/ Scott J. Ulm
Scott J. Ulm
Chief Executive Officer

EXHIBIT 31.2

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Gordon M. Harper of ARMOUR Residential REIT, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended September 30, 2026 of ARMOUR Residential REIT, Inc. (the "registrant");

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: October 21, 2026

ARMOUR RESIDENTIAL REIT, INC.

By: /s/ Gordon M. Harper
Gordon M. Harper
Chief Financial Officer

EXHIBIT 32.1

Certification Pursuant To
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of The Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of ARMOUR Residential REIT, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Scott J. Ulm, 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:

(1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 21, 2026

ARMOUR RESIDENTIAL REIT, INC.

By: /s/ Scott J. Ulm
Scott J. Ulm
Chief Executive Officer

EXHIBIT 32.2

Certification Pursuant To
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of The Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of ARMOUR Residential REIT, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gordon M. Harper, 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:

(1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 21, 2026

ARMOUR RESIDENTIAL REIT, INC.

By: /s/ Gordon M. Harper
Gordon M. Harper
Chief Financial Officer