



News Release

FOR IMMEDIATE RELEASE

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CHARTER FINANCIAL DECLARES \$2.50 SPECIAL CASH DIVIDEND

WEST POINT, Ga., September 25, 2007—Charter Financial Corporation (**OTC-BB: CHFN**) today announced that its board of directors has declared a special cash dividend of \$2.50 per share. The dividend is payable on October 29, 2007, to stockholders of record on October 15, 2007.

“Our multi-faceted strategy of expanding our retail banking franchise, making efficient use of our capital and our equity investment in Freddie Mac stock continues to generate value for our public shareholders,” said Robert L. Johnson, President and CEO. “The board of directors determined our financial condition is strong and our capital exceeds the level required to fund further growth. Accordingly, the board felt it is appropriate to make an additional distribution to shareholders in the form of a special cash dividend.”

Johnson added that he is optimistic about the future of Charter Financial. “The combination of our superior customer service and the rebounding economy in the markets we serve provide opportunities for further growth, due in part to a new Kia Motors assembly plant, and its related suppliers, presently being located in our home market area. We believe we are well-positioned to take advantage of these expanded opportunities to expand our retail operations and increase our market share.

About Charter Financial

Charter Financial is the majority-owned subsidiary of First Charter, MHC, a federal mutual holding company, which owns approximately 82 percent of its outstanding shares. First Charter, MHC, has filed a regulatory notice of its intent to waive this dividend on the 15,857,924 shares it owns, therefore the total payout on the remaining common stock will be about \$8.7 million.

Charter Financial Corporation is a savings and loan holding company and the parent of CharterBank, a full-service community bank and a federal savings institution. CharterBank is headquartered in West Point, Georgia, and operates ten branches on the I-85 corridor from LaGrange, Georgia, to Auburn, Alabama. The Company also operates two loan production offices in Georgia. Charter Financial Corporation owns 3.4 million shares of Freddie Mac common stock with a market value of \$206.5 million at June 30, 2007. CharterBank’s deposits are insured by the Federal Deposit Insurance Corporation. Additional information, including financial highlights, is available on the company’s website, www.charterbank.net. Persons interested in receiving e-mail notifications of news about the company may do so by completing the registration form on the investor relations page of the company’s website.

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