



# News Release

## FOR IMMEDIATE RELEASE

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## CHARTER FINANCIAL DECLARES QUARTERLY CASH DIVIDEND

**WEST POINT, Ga., August 26, 2008**—Charter Financial Corporation (OTC-BB: CHFN) today announced that its board of directors has declared a quarterly cash dividend of 25 cents per share. The dividend is payable on September 26, 2008, to stockholders of record on September 12, 2008. This equates to an annualized dividend rate of \$1.00 per share.

“Freddie Mac’s indicated further cut of its common stock dividend will reduce our earnings,” said Robert L. Johnson, Chairman, and CEO. “Scaling back our quarterly dividend from 50 cents to 25 cents realigns it with our operating earnings. This is consistent with our past practice of paying our operating earnings in quarterly dividends. The new dividend provides a yield of about 7.5% based on the current stock price. While we have made some additions to our loan loss reserves, our core business is solid.”

This dividend will be paid on approximately 3.2 million shares and the total dividend payout will be approximately \$812,000. First Charter, MHC, which owns approximately 83 percent of Charter Financial, is waiving its right to receive this dividend.

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 2.3 million shares of Freddie Mac common stock. 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](http://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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