



News Release

FOR IMMEDIATE RELEASE

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CHARTER FINANCIAL DECLARES REGULAR QUARTERLY DIVIDEND; INCREASES RATE TO \$.50 PER SHARE

WEST POINT, Ga., February 27, 2007—Charter Financial Corporation (**OTC-BB: CHFN**) today announced that its board of directors has declared a regular quarterly cash dividend and has increased quarterly dividend rate to 50 cents per share. The dividend is payable at the new rate on March 29, 2007, to stockholders of record on March 15, 2007. The new quarterly rate is an increase of 11.1 percent from the previous rate of 45 cents per share. This equates to an annualized dividend rate of \$2.00 per share, up 20 cents per share from the previous annualized rate of \$1.80 per share.

“After reviewing our strong capital structure, our financial results and our prospects for future earnings growth, the board of directors determined that an increase in the dividend rate was warranted,” said Robert L. Johnson, president and chief executive officer. “The increase is in keeping with our goal of delivering increased value to shareholders. Based on the closing price of Charter Financial’s common stock on February 26, 2007 of \$47.58 per share, the yield at the new annualized dividend rate is 4.2 percent.”

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 dividends paid on the shares it owns.

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 nine full-service 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 \$231.0 million at December 31, 2006. 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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