



News Release

FOR IMMEDIATE RELEASE

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CHARTER FINANCIAL DECLARES REGULAR QUARTERLY DIVIDEND; INCREASES RATE BY MORE THAN 28 PERCENT

WEST POINT, Ga., March 1, 2006—Charter Financial Corporation (**Nasdaq: CHFN**) today announced that its board of directors has declared a regular quarterly cash dividend and increased the quarterly dividend rate by 28.6 percent to 45 cents per share. The dividend is payable at the new rate on March 30, 2006, to stockholders of record on March 16, 2006.

“After considering our strong and steady financial performance, the board determined that it was appropriate to increase the dividend rate,” said Robert L. Johnson, president and chief executive officer. “This action is the second increase in the dividend rate in less than a year. On an annualized basis our indicated dividend is now \$1.80. Based on recent prices of our shares, the indicated dividend yield is now 4.9 percent, not including the special dividend paid on February 1.”

Charter Financial is the majority-owned subsidiary of First Charter, MHC, a federal mutual holding company, which owns approximately 80 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. Charter Financial Corporation owns 4.4 million shares of Freddie Mac common stock with a market value of \$290.0 million at December 31, 2005. CharterBank is headquartered in West Point, Georgia, and operates nine full-service branches on the I-85 corridor from LaGrange, Georgia, to Auburn, Alabama. CharterBank’s deposits are insured by the Federal Deposit Insurance Corporation.

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