



ALESCO FINANCIAL INC.

Alesco Financial Inc. Declares Regular Quarterly Cash Dividend For First Quarter of 2007

Philadelphia, Pennsylvania – February 20, 2007 – Alesco Financial Inc. (NYSE: AFN), a specialty finance real estate investment trust, announced today that the Company’s Board of Directors has declared a cash dividend for the quarter ending March 31, 2007 of \$0.30 per common share. The dividend will be payable on March 15, 2007 to shareholders of record as of the close of business on March 5, 2007.

Daniel G. Cohen, Chairman of the Board at Alesco Financial, said, “With the successful merger integration of Sunset Financial Resources behind us, we can now more fully focus our attention on enhancing value for our shareholders. Accordingly, we are pleased to begin this year by declaring an increased cash dividend to our shareholders for the first quarter of 2007. Our goal is to deliver regular cash dividend distributions to our shareholders each and every quarter as we move forward.”

About Alesco Financial Inc.

Alesco Financial Inc. is a specialty finance REIT headquartered in Philadelphia, Pennsylvania and trades on the New York Stock Exchange under the symbol “AFN”. Alesco is externally managed by Cohen & Company Management, LLC, a subsidiary of Cohen and Company, a leading structured credit investment management firm. For more information, please visit www.alescofinancial.com.

Forward-Looking Statements

Information set forth in this release contains forward-looking statements, which involve a number of risks and uncertainties. Alesco cautions readers that any forward-looking information is not a guarantee of future performance and that actual results could differ materially from those contained or implied in the forward-looking information.

The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements: the failure of Alesco to successfully execute its business plans or gain access to additional financing, the availability of additional loan portfolios for future acquisition, continued qualification as a REIT and the cost of capital. Additional factors that may affect future results are contained in Alesco’s filings with the SEC, which are available at the SEC’s web site www.sec.gov and Alesco’s web site www.alescofinancial.com. Alesco disclaims any obligation to update and revise statements contained in these materials based on new information or otherwise.

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