



**Alesco Financial Inc. Announces Tax Reporting Information
for 2008 Common Stock Distributions**

Philadelphia, Pennsylvania, January 29, 2009 – Alesco Financial Inc. (NYSE: AFN) today announced the tax reporting information (Federal Form 1099) for the year 2008 distributions on its common stock.

The federal income tax character of the 2008 regular quarterly dividends paid with respect to Alesco Financial Inc. common stock is as follows:

Alesco Financial Inc.
Character of Items of Income Included in Distributions per Share

<u>Declaration</u> <u>Dates</u>	<u>Record</u> <u>Dates</u>	<u>Payment</u> <u>Dates</u>	<u>Total</u> <u>Distribution</u>	<u>Ordinary</u> <u>Income</u> <u>Dividend</u>	<u>Qualified</u> <u>Dividends</u> <u>(incl. in</u> <u>Ord. Div.)</u>	<u>Capital</u> <u>Gains</u> <u>Dividend</u>	<u>Return of</u> <u>Capital</u>
3/10/2008	3/20/2008	4/10/2008	0.250000	0.250000	0.000000	0.000000	0.000000
6/10/2008	6/20/2008	7/10/2008	0.250000	0.250000	0.000000	0.000000	0.000000
Totals			<u>0.500000</u>	<u>0.500000</u>	<u>0.000000</u>	<u>0.000000</u>	<u>0.000000</u>

Participants should refer to their Form 1099, which will be mailed no later than February 2, 2009, and contact BNY Mellon Shareowner Services at (800) 522-6645 for further information. Taxability of the 2008 common stock distributions is not indicative of the taxability of future distributions.

Ordinary income dividend amounts represent the amount of the distributions which will be taxable at ordinary income rates.

Excess Inclusion Income

Stockholders that received a dividend payment on July 10, 2008 may be required to report 9.010771% of this dividend to the Internal Revenue Service as excess inclusion income. Specifically:

- Tax-exempt stockholders are required to report excess inclusion income as unrelated business taxable income (commonly referred to as UBTI):
- Non-U.S. stockholders are subject to the 30% U.S. federal withholding tax on excess inclusion income without reduction under any otherwise applicable income tax treaty; and
- U.S. stockholders, including taxable entities, must report taxable income that in no event is a lower amount than their excess inclusion income.

Tax Disclaimer

The information above should not be construed as tax advice and is not a substitute for careful tax planning and analysis. You should consult your own tax advisor regarding the specific federal, state, local, foreign and other tax consequences to you regarding your ownership of shares of AFN's common stock.

About Alesco Financial Inc.

Alesco Financial Inc. is a specialty finance REIT headquartered in Philadelphia, Pennsylvania. Alesco Financial Inc. is externally managed by Cohen & Company Management, LLC, a subsidiary of Cohen Brothers, LLC (which does business as Cohen & Company), an alternative investment management firm, which, since 2001, has provided financing to small and mid-sized companies in financial services, real estate and other sectors. For more information, please visit www.alescofinancial.com.

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