

## **KBS REAL ESTATE INVESTMENT TRUST II, INC.**

### SOURCE OF DISTRIBUTION STATEMENT

- A. ATTACHED IS A TRUE COPY OF REGULATION 16.9 ISSUED BY THE ATTORNEY GENERAL OF THE STATE OF NEW YORK GOVERNING THIS STATEMENT
- B. DISTRIBUTION PAID: See below.  
  
QUARTER COVERED: See below.
- C. DESCRIPTION OF SOURCES OF DISTRIBUTION AND OTHER INFORMATION REQUIRED BY ATTACHED REGULATION:

#### **Information with Respect to Distributions for the Quarter Ended September 30, 2019**

KBS Real Estate Investment Trust II, Inc. (the “Company”) declared monthly distributions during the quarter ended September 30, 2019. During the quarter ended September 30, 2019, the Company paid aggregate distributions of approximately \$10.8 million, all in cash. The Company’s net loss for the quarter ended September 30, 2019 was approximately \$19.5 million. The Company’s funds generated from operations, as defined by New York Regulation 16.9, during the quarter ended September 30, 2019 was approximately \$(8.8) million. Funds generated from operations is defined by New York Regulation 16.9 to be net income (loss) (including gain on sales of real estate) adjusted so that depreciation allowances are not treated as an expense and principal payments due on debt are deducted. The Company funded its aggregate distributions paid for the period with \$1.1 million of cash flow from operations in excess of distributions paid from prior periods and \$9.7 million of proceeds from debt financing. The Company includes amortizing principal payments in the calculation of funds generated from operations but excludes principal payments required upon the sale of any underlying asset, refinancing or at loan maturity, as these payments relate to and are funded by other investing and financing activities.

The Company’s cash flow from operations has decreased and will continue to decrease in future periods as a result of its disposition activity, and the Company has adjusted its distribution policy with respect to the amount of monthly distribution payments to take into account the Company’s disposition activity and current real estate investments. The Company may continue to make additional strategic asset sales as opportunities become available in the market and may further adjust its distribution policy as a result.

For more information about stockholder distributions, please see the Company’s most recent quarterly report filed with the Securities and Exchange Commission on November 12, 2019.