

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 December 31, 2020

KBS Real Estate Investment Trust II, Inc. (the “Company”) authorized a third liquidating distribution in the amount of \$0.40 per share of common stock to stockholders of record as of the close of business on December 24, 2020 (the “Third Liquidating Distribution”). During the quarter ended December 31, 2020, the Company paid aggregate distributions of approximately \$73.7 million, all in cash. The Company’s net income for the quarter ended December 31, 2020 was approximately \$11.3 million. The Company’s funds generated from operations, as defined by New York Regulation 16.9, during the quarter ended December 31, 2020 was approximately \$11.3 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 proceeds from the sales of its properties. 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. On March 5, 2020, the Company’s stockholders approved the sale of all of the Company’s assets and its dissolution pursuant to the terms of the Company’s plan of complete liquidation and dissolution. The Company does not expect to pay regular monthly distributions during the liquidation process.

The Company expects to distribute substantially all of the net proceeds from liquidation to its stockholders within 24 months from March 5, 2020. The Company expects to continue to pay liquidating distribution payments to its stockholders through the completion of its liquidation process. The Company can give no assurance regarding the timing of asset dispositions in connection with the implementation of the plan of complete liquidation and dissolution, the sale prices the Company will receive for its assets, and the amount or timing of liquidating distributions to be received by its stockholders.

For more information about liquidating distributions and the Company’s plan of complete liquidation and dissolution, please see the Company’s annual report for the year ended December 31, 2020 filed with the Securities and Exchange Commission on March 12, 2021.