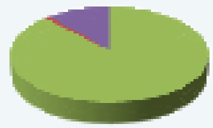
CLOSED REIT

Nontraded REIT Industry Review: Second Quarter 2014

Griffin-American Healthcare REIT II, Inc.

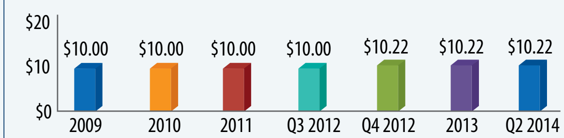
Total Assets......................... $3,047.2 Million
- Real Estate Assets .... $2,670.8 Million
- Cash .... $30.9 Million
- Securities .... $0.0 Million
- Other .... $345.5 Million



Cash to Total Assets Ratio: 1.0%
Asset Type: ....Medical Office
Number of Properties: 289
Square Feet / Units / Rooms / Acres: .... 11,277,000 Sq. Ft.
Percent Leased: 95.1%
Weighted Average Lease Term Remaining:........................ 9.3 Years
LifeStage:... Liquidating
Investment Style: .... Core
Weighted Average Shares Outstanding: 293,304,968

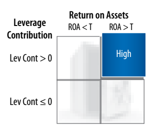
Initial Offering Date: ....August 24, 2009
Offering Close Date: .... October 30, 2013
Current Price per Share: $10.22
Reinvestment Price per Share: $9.71
Cumulative Capital Raised during
Offering (including DRP).. $2,838.3 Million

Historical Price



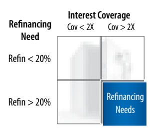
Performance Profiles

Operating Performance



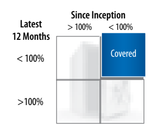
The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is contributing to increased returns for shareholders.

Financing Outlook



Interest coverage ratio is above the 2.0X benchmark but more than 20% of the REIT's debt matures within two years or is at unhedged variable rates. The REIT may face difficulties in refinancing its borrowings or interest rate risk from increasing rates, but earnings currently provide coverage of interest expense.

Cumulative MFFO Payout



Cumulative MFFO since inception exceeds the cumulative cash distributions to common shareholders, indicating the REIT has fully funded cash distributions from its real estate operations. At the current distribution rate and level of modified funds from operations, trends suggest the distributions can be maintained.

Summary

The REIT's return on assets for the last four quarters was 7.75%, well above the yield on 10-Year Treasuries of 2.50%, and it had a positive leverage contribution due to its 3.82% average cost of debt and 17.7% debt ratio. About 50% of the REIT's debt matures within two years and 40% is at unhedged variable rates, indicating some refinancing need and interest rate risk. Its interest coverage ratio for the last four quarters at 7.9X is well above the 2.0X benchmark. Since inception the REIT has paid out 60% of MFFO in cash distributions, excluding DRP, and this rate was 69% for the last four quarters, an increase due to the suspension of the DRP in anticipation of the sale of the REIT.

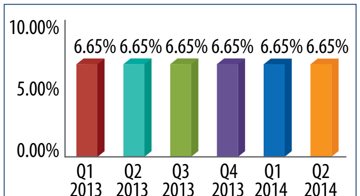
Contact Information

www.HealthcareREIT2.com

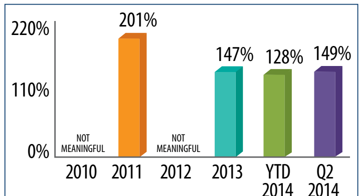
Griffin-American Healthcare REIT II, Inc.
4000 MacArthur Boulevard
West Tower, Suite 200
Newport Beach, CA 92660

866-606-5901

Historical Distribution

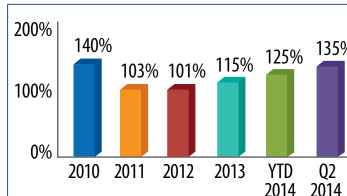


Historical FFO Payout Ratio



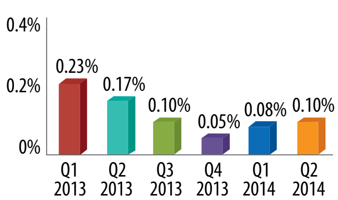
2014 YTD Dist. Paid: ... $99,000,000
2014 YTD FFO: $77,441,000

Historical MFFO Payout Ratio

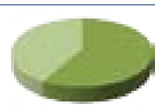


2014 YTD Dist. Paid: $99,000,000
2014 YTD MFFO: $79,099,000

Redemptions

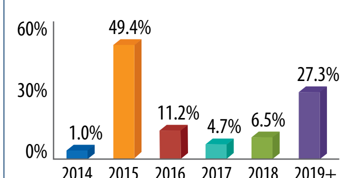


Debt Breakdown

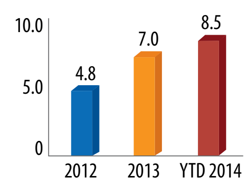


Debt to Total Assets Ratio:...............17.7%
Total: .... $537.9 Million
Fixed: .... $320.6 Million
Variable: .... $217.3 Million
Avg. Wtd. Rate: 3.82%
Loan Term: .... 1 – 33 yrs

Debt Repayment Schedule



Interest Coverage Ratio



Source of Distributions, Trends and Items of Note

- On August 5, 2014, the REIT entered into an Agreement and Plan of Merger with NorthStar Realty Finance Corp. Upon completion of the merger, the separate corporate existence of the company will cease.
- At the effective time of the merger, each share of common stock, issued and outstanding immediately prior to the company merger will be converted into the right to receive (i) that number of validly issued, fully paid and nonassessable shares of common stock of NorthStar Realty Finance equal to the quotient determined by dividing $3.75 by the average NorthStar closing price (as defined in the merger agreement) and rounding the result to the nearest 1/10,000 of a share, or the exchange ratio; provided, that if the average NorthStar closing price is less than $16.00, the exchange ratio will be 0.2344, and if the average NorthStar closing price is greater than $20.17, the exchange ratio will be 0.1859, or the stock consideration, and (ii) $7.75 in cash, or the cash consideration, subject to adjustment in the event either party pays cash dividends in excess of permitted dividends and subject to any applicable withholding tax.
- During 2Q 2014, the Company acquired three properties for a total purchase price of approximately $39.1 million.
- The REIT's Cash to Total Assets ratio decreased to 1.0% as of 2Q 2014 compared to13.6% as of 2Q 2013.
- The REIT's Debt to Total Assets ratio decreased to 17.7% as of 2Q 2014 compared to 18.4% as of 2Q 2013.
- The Company hedged $9.1 million of its variable rate debt.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- During the six months ended June 30, 2014, distributions paid to common stockholders were $99 million, inclusive of $36.909 million of distributions in shares issued under the DRIP. During the six months ended June 30, 2014, cash used to pay distributions was generated by operations (79.4%) and (20.6%) constitute proceeds from borrowings.