



MESSAGE FROM THE CHAIRMAN OF THE BOARD

Distinguished Members, Dear "Darüşşafaka" Family,

We changed our by-laws in 2007 and limited the term of the chairman of the board of directors to six years to enable the board to change hands from generation to generation and to renew itself over time in terms of the sustainability of Darüşşafaka.

The chairmanship position that I took over from my brother, Zekeriye Yıldırım (DŞ'62) will be succeeded by another brother of our on April 6, 2019 in the Ordinary General Assembly.

As I delegate over my duty that I served with the feelings of honor, pride and joy for six years thanks to the confidence provided by the General Assembly and the Board of Directors, I feel the responsibility to share the remaining six years' balance sheet with the Darüşşafaka family.

After taking office together with my friends in the Board of Directors, our priority became institutionalizing Darüşşafaka. At every step we have taken, we oversaw the principles of "equality", "transparency," "justice" "accountability," "sustainability," "common mind," "teamwork," "planned work with an aim," "fiscal discipline" and "merit." We also tried to prioritize these principles in all of the activities of Darüşşafaka. Following a long study, a comprehensive Strategic Plan was prepared for planned progress with an objective. Roadmap until 2020 for our Society was carved out by this study which can be considered as the first in Darüşşafaka. Additionally, we also initiated independent corporate grading in 2013. We corrected our deficiencies and risk areas stated in the annual reports of Kobirate International Credit Rating and Corporate Governance Service Inc. As a result, our corporate grading has increased from 8.40 in 2013 to 9.50 in 2018.



OUR SOCIETY'S IMPROVEMENT IN INDEPENDENT CORPORATE RATING GRADE

| 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|------|------|------|------|------|------|
| 8,40 | 8,64 | 9,08 | 9,29 | 9,43 | 9,50 |

DARÜŞŞAFKA EDUCATION INSTITUTIONS (DEK)

We implemented step by step DEK Transformation Project, which is aimed at moving DEKs among the most successful schools of Turkey in 2020 by increasing the educational quality level of Darüşşafaka Education Institutions as being one of our raison d'être. To prepare students of Darüşşafaka Schools for the 21st century, a student profile who can "learn, know how to interpret new data and info, adapt changes and process, solve problems with interdisciplinary understanding and know-how, use technology, establish online and productive cooperation" was drafted. Necessary investments are made in DEK for the "technological transformation." DEKSİS, a specially designed school administration, and education software, was begun

to be used. The wireless network infrastructure was built throughout the school. As a part of education with a tablet gradually, tablets are provided for all of the secondary school, ninth grades, and teaching staff. After three years, all of our students will have a tablet and the process will be completed. In 2018, the number of tablets was 700 in DEK while Apple TVs and automatic slide projector were renewed. Moreover, students now can access the renewed Apple iMac computers in the high school computer lab. Numerous steps have been also taken to strengthen the academic staff. Accordingly, the number of teachers who know a foreign language was increased from 31% in 2015 to 70% in 2018. The teacher's usage of the technology (tablet, smart board, Apple TV, automatic slide projector) risen to 75% since a

teacher who cannot use technology is unable to prepare students for the 21st century. The course hours of English was increased while the preparatory year was eliminated. In addition to the study hours and club activities, students of Darrüşşafaka Secondary School receive 1.908 hours of English course during their four-year education. All of the measures preventing the occurrence of a need to enroll in a language preparatory year were taken. Steps to hinder the loss of students due to unsuccessfulness were also taken. This figure dropped to one digit numbers as of 2018. We also carried out programs necessary to equip our students socially and culturally in addition to their academic improvement before graduation. The number and the diversity of clubs were increased and artistic-cultural trips were included in the curriculums. Behavior Education Program (DEP) was created and necessary activities were initiated to raise children who embrace the principles and values of Darüşşafaka. Activities focusing on improving the living standards of students on the campus were also conducted. DEK Life Management position responsible for post-school lives of the students created. 196 procedures were drafted in an attempt to regulate life in the campus. Paying regard to the demands of the students, numerous improvements have been realized to ensure productivity in leisure times. Enhancing the green areas within the campus is one of these improvements. The university enrollment rates of students who graduated from Darüşşafaka High School have remained above 95% for six years.

DONATION, FUNDRAISING AND COMMUNICATION

Another priority subject for 2012-2018 period was fundraising, since it is

| 2012-2018 IMPROVEMENT IN INDIVIDUAL DONATIONS | | |
|---|-----------|------------|
| | 2012 | 2018 |
| THE NUMBER OF INDIVIDUAL DONATORS | 9.726 | 66.908 |
| THE AMOUNT OF INDIVIDUAL DONATIONS | 6.251.386 | 47.362.519 |

| IMPROVEMENT IN REGULAR DONATIONS | | |
|----------------------------------|---------|-----------|
| | 2014 | 2018 |
| THE NUMBER OF REGULAR DONATORS | 170 | 6.173 |
| THE AMOUNT OF REGULAR DONATIONS | 300.000 | 4.917.714 |

| 2012-2018 IMPROVEMENT IN INSTITUTIONAL DONATIONS | | |
|--|------------|------------|
| | 2012 | 2018 |
| THE NUMBER OF INTUITIONAL DONATORS | 224 | 919 |
| THE AMOUNT OF INTUITIONAL DONATIONS | 10.550.884 | 38.455.740 |

| 2012-2018 IMPROVEMENT IN ASSETS | | |
|---------------------------------|------|-------|
| | 2012 | 2018 |
| SERVICE BUILDINGS | 368 | 699 |
| RESTRICTED REAL ESTATES | 82 | 184 |
| LEASED REAL ESTATES | 29 | 47 |
| LAND AND OTHER REAL ESTATES | 12 | 145 |
| REAL ESTATES FOR SALE | 16 | 59 |
| INVENTORIES | 54 | 65 |
| NET CASH | -59 | 37 |
| CASH (BANK DEPOSITS) | 10 | 115 |
| SHORT-TERM DEBTS | -13 | -11 |
| LONG-TERM DEBTS (EXIM) | -55 | -68 |
| TOTAL AMOUNT (THOUSAND TL) | 502 | 1.236 |

almost impossible to realize our activities in the case of lack of sufficient funds. We focused on communication activities to turn Darrüşşafaka into an institution that collects donations from all around Turkey. Our communication campaign has resonated within the public with the motto of "some expenses not essential but the education is essential." We invited everybody to support us as a part of this campaign. The number of our individual donators boosted from 9,726 in 2012 to 66,908 in 2018, increasing by 572%. The amount of donations reached 47 million TL with an increase of 658%. The number of regular donations which is essential to plan the

future of Darüşşafaka piqued to 6,000 compared to its past figure, 170. As a result of our activities organized to attract the support of Turkish institutions, the number of intuitional supporters raised from 224 to 919, increasing by 310%. "81 students from 81 provinces," the longest and the most comprehensible social responsibility project initiated in 2018, completed its tenth year and 82 İş Bank scholarship recipients have begun their university education in 2018. İş Bank does not hesitate to lend support to our alumni during their university education while also supporting 596 students in our school.



MESSAGE FROM THE CHAIRMAN OF THE BOARD

ASSET MANAGEMENT

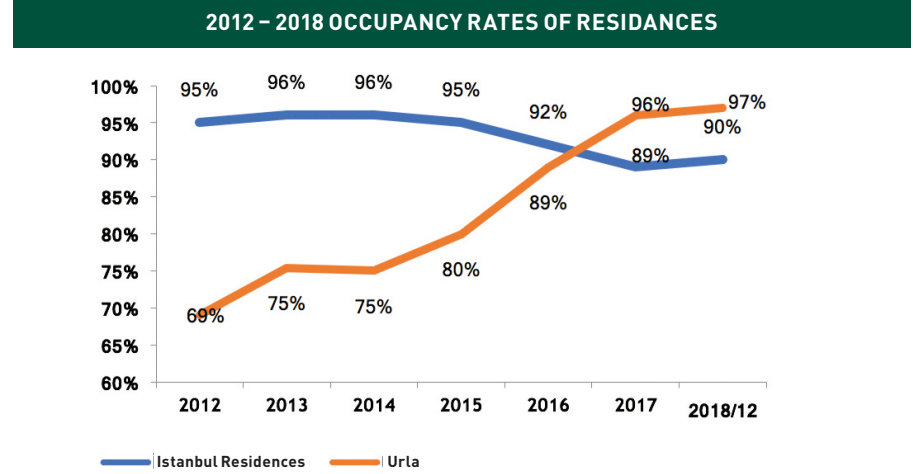
We put emphasis on the good management of the assets to ensure the sustainability of Darüşşafaka. We reviewed the rules of procedures of the Asset Commission. We paid off TL credits and restructured USD credits. We diversified investment instruments and managed our assets more effectively. By the end of the year, net assets and financing incomes' coverage of our school's expenses increased to 42%.

RESIDENCES OF DARÜŞŞAFAKA

We made physical and operational improvements in the Residences, another important point for the sustainability for Darüşşafaka. Happiness, peacefulness, and satisfaction of our donators who opted to live in residences in their old ages have provided its fruits in the form of owning the Institution more and feeling a sense of belonging. Our residence donators supporting our Society through both their individual donations and legacies have increased with each passing year. 90 benevolent individuals living in residences in 2012 has increased to 145 as of 2018, donating through a will and land donation. 63 of our donators have lost their lives. We commemorate them with mercy and gratitude. Of course, this process also saw the donations made through a will and land donation not only by the donators living in the residences but also by benevolent individuals from the diverse section of the society with no thought of personal gain. As far as our Society knows, today we have 465 donators providing donations with a will and a land. For the last six years, the occupancy rate of our Istanbul residences have never been below 90% while we increased this rate in Urla residences to 97% compared to a 69% occupancy rate at the time we took over.

SOCIETY CENTER

We ameliorated the organizational structure of the Society Center serving as the brain of Darüşşafaka. Human



resources and Information Technology units were strengthened. All processes are determined by by-laws rules. Working Procedures and Principles for Chairmanship Council, Qualifications and Features for Board Members, Corporate Governance Handbook, Darüşşafaka Society Ethics Codes Booklet are some of the processes. After this special year celebrating our 155th year, I will hand over my position I assumed in 2013 with the peace of mind and the belief that the next chairman will carry this Society into a better position. Darüşşafaka has maintained its course as an honorable education institution and civil society organization of Turkey by changing the lives of people and raising them. It has never given up on its mission to ensure "equal opportunities in education" nor its pursuit to change the lives of people by education. It became worthy of and garnered the love, respect and the trust of the people. The Society always felt the support of benevolent people and institutions which it owes to its survival. It has been always loyal to those ensured its survival and never forgot them. It came from the people, existed and worked for the people and was embraced by people.

The society will continue its course with the same values. Working in Darüşşafaka means assuming the role of the

watchdog for society. I leave my position with the peace of mind, knowing that my colleagues are acting on this awareness. I would like to extend our highest gratitude for the Board of Directors, Supervisory Board and Members of the Board of Discipline which together we created this 6-year picture I tried to summarize; our valuable school principals, deputy principals and teachers who pull out all the stops to carry the DEK to the 21st century; general secretaries and assistants under the Society and affiliated institutions; our chief physician; all managers and employees; our parents who entrust us with their children; Darüşşafaka family who have been stand by us in every step and all benevolent donators who helped the survival of this institution for 155 years. As always, I would like to pay tribute to our Great Leader Mustafa Kemal Atatürk and his fellows, our Founding Fathers Yusuf Ziya Pasha, Gazi Ahmet Muhtar Pasha, Sakızlı Ahmet Esat Pasha, Vidinli Hüseyin Tefik Paşa and Ali Naki, and all of our members, donors, managers, teachers, and workers, contributing to Darüşşafaka with donation and efforts, who have passed away, with mercy and gratitude.

With love and best regards,

M. Talha Çamaş
Chairman of the Board

Darüssafaka
1863 LİSE

Darüssafaka
Lisesi'nde
İlk Günü

