



REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills
City of Mandaluyong, Metro Manila

**CERTIFICATE OF FILING OF THE
ARTICLES AND PLAN OF MERGER**

KNOW ALL PERSONS BY THESE PRESENTS:

THIS IS TO CERTIFY that the Articles and Plan of Merger executed on October 24, 2005, by and between:

**MAPFRE ASIAN INSURANCE CORPORATION *now*
MAPFRE INSULAR INSURANCE CORPORATION**
(Surviving Corporation)

and

INSULAR GENERAL INSURANCE COMPANY, INC.
(Absorbed Corporation)

copy annexed, approved by a majority vote of the Board of Directors and by the vote of the Stockholders owning or representing at least two-thirds of the outstanding capital stock of constituent corporations on October 14, 2004 and October 13, 2005 respectively, signed by their authorized signatories, certified by their respective Corporate Secretaries, whereby the entire assets and liabilities of **INSULAR GENERAL INSURANCE COMPANY, INC.** will be transferred to and absorbed by **MAPFRE ASIAN INSURANCE CORPORATION now MAPFRE INSULAR INSURANCE CORPORATION** was approved by this Office on this date pursuant to the provisions of Sections 76 to 80 of the Corporation Code of the Philippines, Batas Pambansa Blg. 68, approved on May 1, 1980, and attached to the other papers pertaining to said corporations.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of this Commission to be affixed at Mandaluyong City, Metro Manila, Philippines, this 29th day of December Two-Thousand Five.



Benito A. Cataran
BENITO A. CATARAN
Director

Company Registration and Monitoring Department

RECEIVED
OFFICE OF THE
SECURITIES AND
EXCHANGE COMMISSION
10 OCT 2005 3 PM 4 23

ARTICLES OF MERGER

KNOW ALL MEN BY THESE PRESENTS:

These **Articles of Merger** are made and entered into by and between:

MAPFRE ASIAN INSURANCE CORPORATION, a corporation organized and existing by virtue of Philippine laws, having its principal office at Mapfre Asian Corporate Center, Acacia Avenue, Ayala Alabang, Muntinlupa City, duly represented by its President, **ENRIQUE CLEMENTE III**, hereinafter referred to as "**MAPFRE**";

and

INSULAR GENERAL INSURANCE COMPANY, INC., a corporation organized and existing by virtue of Philippine laws, having its principal office at 8th Floor, Insular Life Building, Ayala Avenue, Makati City, duly represented by its Director & Attorney-in-Fact, **WILFREDO M. LLANTO**, hereinafter referred to as "**INSULAR GENERAL**";

WITNESSETH THAT:

ARTICLE 1

PLAN OF MERGER

The members of the respective Boards of Directors of **MAPFRE & INSULAR GENERAL** have separately and unanimously approved, in their meetings respectively held on October 14, 2005 and October 13, 2005, the Plan of Merger which is attached hereto as Annex "A" and made an integral part hereof. The respective stockholders of **MAPFRE & INSULAR GENERAL** representing at least two-thirds (2/3) of the outstanding capital stock of each of **MAPFRE & INSULAR GENERAL** have likewise unanimously approved and ratified the aforesaid Plan of Merger in their separate meetings held on October 14, 2004 and October 13, 2005, respectively.

The Plan of Merger sets forth the terms and conditions of the merger by and between **MAPFRE & INSULAR GENERAL** and the mode of carrying the same into effect.

ARTICLE 2

OUTSTANDING SHARES

The number of outstanding shares of **MAPFRE & INSULAR GENERAL** as of the date of the respective stockholders' meeting when the Plan of Merger was approved is as follows:

MAPFRE

	<u>No. of Shares</u>	<u>Amount</u>
Authorized Capital Stock	8,000,000	P400,000,000.00
Subscribed and Outstanding	6,000,000	P300,000,000.00

INSULAR GENERAL

	<u>No. of Shares</u>	<u>Amount</u>
Authorized Capital Stock	2,000,000	P200,000,000.00
Subscribed and Outstanding	1,862,745	P186,274,500.00

ARTICLE 3

NUMBER OF VOTES

The number of outstanding shares voting for the merger by and between **MAPFRE & INSULAR GENERAL** during their respective stockholders' meetings is as follows:

NAME OF CORPORATION	Number of Shares Voting for the Merger	Number of Shares Voting Against the Merger
MAPFRE ASIAN INSURANCE CORPORATION	5,995,083	-0-
INSULAR GENERAL INSURANCE COMPANY, INC.	1,862,745	-0-

IN WITNESS WHEREOF, these Articles of Merger have been signed by the respective representatives of MAPFRE & INSULAR GENERAL on this 24 day of October, 2005 at Muntinlupa City, Philippines.

MAPFRE ASIAN INSURANCE CORPORATION


By:



ENRIQUE CLEMENTE III
President

INSULAR GENERAL INSURANCE COMPANY, INC.

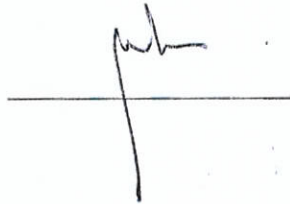
By:



WILFREDO M. LLANTO
Director & Attorney-in-Fact

ATTEST:

SIGNED IN THE PRESENCE OF:



CERTIFICATION

The Corporate Secretary and/or Assistant Corporate Secretary of MAPFRE ASIAN INSURANCE CORPORATION and the Corporate Secretary of INSULAR GENERAL INSURANCE COMPANY, INC. hereby certify that the foregoing Articles of Merger were signed by the respective Presidents of the two corporations, and that the Plan of Merger attached as Annex "A" was approved by at least two-thirds (2/3) of the respective outstanding capital stock of the two corporations.

MAPFRE ASIAN INSURANCE CORPORATION

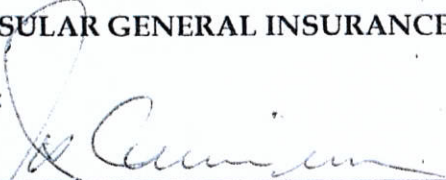
By:



ROBERTO M. BUENAFLOR

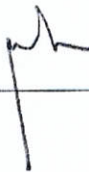
INSULAR GENERAL INSURANCE COMPANY, INC.

By:



JOSE B. QUIMSON

SIGNED IN THE PRESENCE OF:



REPUBLIC OF THE PHILIPPINES)
MUNTINLUPA CITY) S.S.

ACKNOWLEDGMENT

BEFORE ME, this ____ day of 01, 2005 in MUNTINLUPA CITY, personally appeared:


Name	CTC Number	Date Issued	Place Issued
Enrique Clemente III	09177469	January 07, 2005	Muntinlupa City
Wilfredo M. Llanto	24335000	March 10, 2005	Muntinlupa City
Roberto M. Buenaflor	00748990	July 15, 2005	Marikina
Jose B. Quimson	15692556	January 10, 2005	Quezon City

all known to me to be the same persons who executed the foregoing instrument for and in and acknowledged to me that the same is their free and voluntary corporate act and deed of the corporations they represent.

The foregoing instrument refers to the Articles of Merger consisting of five (5) pages, including this page where the acknowledgment is written.

WITNESS MY HAND AND SEAL, on the day, year and place above written.

Doc. No. 146 ;
Page No. 30 ;
Book No. XV ;
Series of 2005.


ANTHONY T. CO
NOTARY PUBLIC
Until December 31, 2006
IBP No. 610138, 1/5/2005; Hocos Norte
PTR No. 5750516, 1/4/2005, M. ...

PLAN OF MERGER

KNOW ALL MEN BY THESE PRESENTS:

This **Plan of Merger** executed this **29th** day of October, 2005 to be implemented by and between:

MAPFRE ASIAN INSURANCE CORPORATION, a corporation organized and existing by virtue of Philippine laws, having its principal office at Mapfre Asian Corporate Center, Acacia Avenue, Ayala Alabang, Muntinlupa City, duly represented by its President, **ENRIQUE CLEMENTE III**, hereinafter referred to as "**MAPFRE**";

and

INSULAR GENERAL INSURANCE COMPANY, INC., a corporation organized and existing by virtue of Philippine laws, having its principal office at 8th Floor Insular Life Building, Ayala Avenue, Makati City, duly represented by its Director & Attorney-in-Fact, **WILFREDO M. LLANTO**, hereinafter referred to as "**INSULAR GENERAL**";

WITNESSETH THAT:

WHEREAS, **MAPFRE** is a corporation duly registered with the Securities and Exchange Commission (SEC) with an authorized capital stock of Four Hundred Million Pesos (PhP400,000,000.00) divided into Eight Million common shares (8,000,000) at a par value of Fifty Pesos (PhP50.00) per share. The total capital stock issued and outstanding amounts to P300,000,000.00 in the name of the following stockholders, as indicated hereunder:

<u>Stockholders</u>	<u>Number of Shares Subscribed</u>	<u>Amount Subscribed</u>	<u>Amount Paid-Up</u>
MAPFRE Internacional, S.A.	3,193,792	P159,689,600.00	P159,689,600.00
CORPORACION MAPFRE	2,801,285	P140,064,250.00	P140,064,250.00
Eduardo L. Gaspar	1	P50.00	P50.00
Luis C. La'O	1	P50.00	P50.00
Domingo Sugranyes	1	P50.00	P50.00
Ricardo Blanco	1	P50.00	P50.00
Ambrosio Mangilit	1	P50.00	P50.00
Enrique Clemente III	1	P50.00	P50.00
Other Stockholders	4,917	P245,850.00	P245,850.00
TOTAL	<u>6,000,000</u>	<u>P300,000,000.00</u>	<u>P300,000,000.00</u>

A complete list of all the stockholders of MAPFRE is set forth in Annex "A" which is attached hereto and made an integral part hereof.

WHEREAS, INSULAR GENERAL is a corporation duly registered with the SEC with an authorized capital stock of Two Hundred Million Pesos (Php 200,000,000.00) divided into 1,020,000 shares of Class "A" common stock with a par value of One Hundred Peso (Php 100.00) per share and 980,000 shares of Class "B" common stock with a par value of One Hundred Peso (Php 100.00) per share. Of the aforesaid capital stock of **INSULAR GENERAL**, there have been duly subscribed and issued Ninety Five Million Pesos (Php 95,000,000.00) worth of shares of Class "A" common stock and Ninety One Million Two Hundred Seven Four Thousand Five Hundred Pesos (Php 91,274,500.00) worth of shares of Class "B" common stock or a total of One Hundred Eighty Six Million Two Hundred Seventy Four Thousand Five Hundred Pesos (Php 186,274,500.00) worth of shares of common stock which are now outstanding in the name of the following stockholders, as indicated hereunder:

<i>Stockholders (Class "A" shares)</i>	<i>Number of Shares Subscribed</i>	<i>Amount Subscribed</i>	<i>Amount Paid Up</i>
The Insular Life Assurance Co., Ltd.	949,995	Php94,999,500.00	Php94,999,500.00
Vicente R. Ayllon	1	100.00	100.00
Jose S. Bernabe	1	100.00	100.00
Mayo Jose B. Ongsingco	1	100.00	100.00
Mona Lisa B. de la Cruz	1	100.00	100.00
Fortunato B. Cruz	1	100.00	100.00
<i>Stockholders (Class "B" shares)</i>	<i>Number of Shares Subscribed</i>	<i>Amount Subscribed</i>	<i>Amount Paid Up</i>
The Insular Life Assurance Co., Ltd.	912,741	Php91,274,100.00	Php91,274,100.00
Ronnie B. Alcantara	1	100.00	100.00
Ma. Edita C. Elicaño	1	100.00	100.00
Marietta C. Gorrez	1	100.00	100.00
Wilfredo M. Llanto	1	100.00	100.00
T O T A L	<u>1,862,745</u>	<u>Php186,274,500.00</u>	<u>Php186,274,500.00</u>

WHEREAS, both MAPFRE and INSULAR GENERAL are primarily engaged in the business of fire, marine, casualty, fidelity and surety, and all other kinds of insurance business in all its branches;

WHEREAS, a merger between MAPFRE and INSULAR GENERAL with MAPFRE as the surviving corporation is desirable and advantageous to MAPFRE and INSULAR GENERAL and their respective stockholders for the following business reasons:

1. The integration of the sales and administrative facilities of the two (2) corporations will result in economies of scale and efficiency of operations;
2. The consolidation of assets of the two (2) corporations will provide the merged corporation with more financial capacity³. The merger will make possible the more productive use of the sales network of the constituent corporations; and
3. The constituent corporations' combined standing in terms of market share and net worth will benefit the surviving corporation to ensure a position among the top 10 non-life insurance companies.

The parties desire to merge pursuant to Section 40(C)(2) of the National Internal Revenue Code of 1997 and Sections 76 to 80 of the Corporation Code of the Philippines.

For the reasons set forth above, and in consideration of the mutual covenants and premises hereto, the merger between **MAPFRE** and **INSULAR GENERAL**, being the constituent corporations, has been submitted and approved by the respective Board of Directors of the two (2) corporations and corresponding stockholders pursuant to the provisions of Sections 76 to 80 of the Corporation Code of the Philippines.

The terms and conditions of such merger and the method of carrying it into effect are prescribed hereunder:

TERMS OF THE MERGER

1. On December 31, 2005, following the approval by the SEC of the parties' Articles of Merger and its issuance of the Certificate of Filing of the Articles of Merger, **MAPFRE** and **INSULAR GENERAL** shall be merged into **MAPFRE** which shall be the surviving corporation. Further to the foregoing, the parties shall also request the issuance by the Bureau of Internal Revenue of a ruling that the merger complies with Section 40(C)(2) of the Tax Code.
2. Upon the effective merger date, all the respective rights, businesses, assets and other properties of **INSULAR GENERAL** including, but not limited to, all real and personal properties, contractual rights, licenses, privileges, property rights, claims, bank deposits, stocks, accounts receivables, credit lines, supplies, equipment, and such other assets of **INSULAR GENERAL**, shall be deemed conveyed, assigned, and transferred to **MAPFRE** without further act or deed.

It is understood that if the authorized capital stock of **MAPFRE** is not sufficient to effect the issuance of shares pursuant to the merger, the capital stock of **MAPFRE** will be increased accordingly and the assets transferred by **INSULAR GENERAL** will serve as their contribution for the increase in **MAPFRE**'s capital stock.

3. Upon the Effective Merger Date, **MAPFRE** shall be the surviving corporation and its corporate existence shall continue. Except for the exclusions and/or additions itemized under Annex "B" (attached hereto and made an integral part hereof), **MAPFRE** shall become the owner of all the rights, assets, privileges and other

properties of **INSULAR GENERAL** and shall assume all the debts and liabilities of **INSULAR GENERAL** as of June 30, 2005 in the same manner as though **MAPFRE** had itself incurred such liabilities and obligations, and any such claim or action or proceeding against **INSULAR GENERAL** shall be prosecuted by or against **MAPFRE** provided, however, that **MAPFRE** may avail of all the defenses, rights, privileges, set offs and counterclaims which **INSULAR GENERAL** may have had under the premises.

4. Upon the Effective Merger Date:

- a) **MAPFRE** shall be deemed to have acquired all the respective assets and assumed all the liabilities of **INSULAR GENERAL** and shall therefore issue in exchange thereof 1,972,089 shares in the manner indicated in the following paragraph. **INSULAR GENERAL** shall confirm the conveyances of such assets to **MAPFRE** as of the date of the approval of the merger.
- b) The respective shares of **INSULAR GENERAL** then outstanding in the hands of its stockholders shall be exchanged for shares of capital stock of **MAPFRE** on the basis of the net transfer value of the assets transferred to **MAPFRE**.
- c) For purposes hereof, **MAPFRE** shall issue 1,972,089 shares with a par value of P50.00 per share to the stockholders of **INSULAR GENERAL** and to be taken first from the unissued shares of capital stock. **MAPFRE** will undertake the necessary steps to increase its authorized capital stock to accommodate said issuance if so needed. The present outstanding capital stock of **INSULAR GENERAL** shall be retired and cancelled.

It is understood, however, that the above valuation and exchange shall be subject to whatever adjustments the SEC may make in order that it will approve the merger. Should this happen, the parties shall execute such documents and do all acts as may be necessary to implement such adjustments.


- d) The stockholders of **INSULAR GENERAL** shall be deemed to be, and shall become, stockholders of **MAPFRE**. In relation to this, stockholders of **INSULAR GENERAL** shall be issued stock certificates for their shares in **MAPFRE**. Said stockholders shall, however, be required to surrender their stock certificates in **INSULAR GENERAL** before the corresponding stock certificates of **MAPFRE** can be issued to them.
- e) The corporate name of **MAPFRE** shall henceforth be **MAPFRE INSULAR INSURANCE CORPORATION**.
- f) The Articles of Incorporation of **MAPFRE** shall be amended to increase the number of directors from seven (7) to nine (9).

all known to me to be the same persons who executed the foregoing instrument for and in and acknowledged to me that the same is their free and voluntary corporate act and deed of the corporations they represent.

The foregoing instrument refers to the Plan of Merger consisting of 7 pages, including this page where the acknowledgment is written.

WITNESS MY HAND AND SEAL, on the day, year and place above written.

Doc. No. 144
Page No. 29
Book No. XII
Series of 2005.


ANTHONY T. CO
NOTARY PUBLIC
Until December 31, 2006
IBP No. 610138; 1/5/2005; Hocos Norte
PIR No. 6750516; 1/4/2005; Mantolupa