

—
P O Box 427 Pretoria 0001 South Africa
370 Helen Joseph Street Pretoria 0002
+27 12 313 3911 / 0861 12 7272
www.resbank.co.za



SOUTH AFRICAN RESERVE BANK
Prudential Authority

Administrative penalty order (issued in terms of section 167(1) of the Financial Sector Regulation Act 9 2017 (Land Bank Insurance Company SOC Limited)

1. The Prudential Authority (PA) hereby imposes an administrative penalty of R5 000 000 (five million rand) in terms of section 167(1) of the Financial Sector Regulation Act 9 of 2017 (FSRA) on Land Bank Insurance Company SOC Limited (LBIC).
2. R3 000 000 (three million rand) of the administrative penalty will be suspended for a period of three years from the date the penalty is imposed, subject to LBIC not committing a similar offence during this period.
3. The remaining balance of R2 000 000 (two million rand), inclusive of costs, must be paid within 14 working days from the date of this order.
4. The penalty arises from the following contraventions of the Insurance Act No. 18 of 2017 (Insurance Act), by LBIC:
 - a) The PA found that on 02 December 2015 LBIC amended its Memorandum of Incorporation (Moi). Amongst the amendments to the Moi was a change in the capital structure, which resulted in the increase of the authorised shares without the approval required in terms of the now repealed section 23(1)(a) of the then Short-term Insurance Act, 1998 (Act no. 53 of 1998), that was in force at that time;
 - b) The PA also found that LBIC appointed various directors to their Board of Directors without the required approvals from the PA in terms of section 14(1) of the Insurance Act; and
 - c) The PA found that LBIC effected terminations of directors without the required notifications to the PA in terms of section 16(1) of the Insurance Act.

.....
F Tshazibana
Chief Executive Officer

Date: 29 April 2022