BRANSGROVES REPORTING GROUP

Money Laundering / Terrorism Financing (ML/TF) Risk Assessment

Document	Group ML/TF Risk Assessment
Version	2 August 2026
Prepared & approved by	Matthew Bransgrove — Director and AML/CTF Compliance Officer
Adopted by	Directors' resolution 2 August 2026
Review	Annually, and on any trigger event listed in section 10

Purpose and regulatory basis

1. This document records the assessment of the money laundering and terrorism financing (ML/TF) risks that the reporting entities in the Bransgroves reporting group may reasonably face in providing designated services, as required under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) as amended, and the Anti-Money Laundering and Counter-Terrorism Financing Rules 2025.
2. This is the foundation document of the group's AML/CTF program: the policies, procedures and controls in that program are calibrated to the risks identified here. It considers the customer types to which designated services are provided, the designated services themselves, the channels through which they are delivered, and the geographies involved.

The reporting group

Entity	Role	AUSTRAC identifiers
Bransgroves Lawyers Pty Ltd	Lead entity — legal practice	AAN 100851567; ABN 42 650 216 050; RE 79099
Private Mortgage Holdings Pty Ltd	Member — lender of record / bare trustee	AAN 100851575; ABN 52 662 260 433; RE 79100

3. Bransgroves Pty Ltd (the group service company) provides no designated services to customers; its removal from the Reporting Entities Roll was requested on 28 July 2026. Bransgroves Fiduciary Pty Ltd is the ultimate holding company and provides no designated services. Neither is a reporting entity and neither is within the scope of this assessment.

Business profile and evidence base

4. The group operates a specialist commercial mortgage practice. Bransgroves Lawyers acts exclusively for lenders in private (non-bank) first and subsequent registered mortgage transactions over Australian real property, for commercial (non-Code-regulated) purposes. Private Mortgage Holdings Pty Ltd (PMH) acts as bare trustee and lender of record for some of the client-lenders who advance through it; it has provided loan services since 2 December 2022. The group employs 5–15 FTE across four partner-led teams.
5. Volumes are drawn from the firm's settlement records (matter-level, January 2024 – July 2026):
    a. Calendar 2025: 826 settled matters, comprising 544 new loan advances, with the balance discharges and variations.
    b. January–July 2026: 384 settled matters, comprising 252 new advances — an annualised run-rate of approximately 650 matters.
    c. July 2026 (first month of the reformed regime for the legal practice): 51 settled matters, of which 36 were new advances.
    d. Client base: approximately 40 repeat lender relationships — wholesale and retail mortgage funds and family offices holding AFSLs, corporate treasuries, and Australian-resident individuals (predominantly

retirees investing through SMSFs). No cash is accepted in any circumstances; all funds move by bank transfer through the firm's trust account or directly between financial institutions via PEXA.

e. Borrowers: predominantly Australian proprietary companies (trading, developer and investment SPVs); a small number of corporate trustees of family or unit trusts; a small number of individual borrowers. Borrowers are independently represented and are not clients of the firm.

f. Security properties: located across NSW, VIC, QLD, SA, WA and TAS — wholly within Australia.

Designated services in scope

Entity	Designated services (as enrolled)
Bransgroves Lawyers Pty Ltd (from 1 July 2026)	Conveyancing services; facilitating business equity and debt financing; facilitating or performing roles in corporate/legal arrangements; asset management; shelf company services; intermediary services; custodial or depository services; loan services.
Private Mortgage Holdings Pty Ltd (loan services from 2 December 2022)	Loan services; facilitating or performing roles in corporate/legal arrangements (acting as trustee in the course of business).

Methodology

6. Inherent risk is assessed for each risk factor as the combination of likelihood and consequence of the group's services being misused for ML/TF, before controls. Residual risk is the level remaining after the mitigations in the group AML/CTF program. Ratings use a four-point scale: Low, Low–Medium, Medium, High. The assessment draws on AUSTRAC's guidance for the legal profession and for lending, and on the group's own transaction records.

Risk factor analysis

Customer risk

7. **Lender clients — Low.** The lender base is concentrated, repeat and domestic: AFSL-holding funds and debenture issuers, banks, corporate treasuries, and retired Australian residents investing SMSF and retirement savings. Relationships are long-standing (the same ~40 contacts recur across more than 1,200 matters in the records reviewed), sources of funds are characteristically transparent (superannuation, property equity, fund capital), and politically exposed persons are not countenanced as clients.

8. **Borrowers and guarantors — Low–Medium.** Borrowers are more diverse than lenders: developer and investment SPVs, corporate trustees, and occasional individuals. Company and trust structures can obscure beneficial ownership, and rapid refinancing patterns could indicate layering. Mitigations: every borrower and guarantor is independently represented and identified by their own solicitor to ARNECC VOI standards; beneficial ownership of corporate and trustee borrowers is established by ASIC search and trust deed review; loan purpose and source of equity are recorded; red-flag matters are escalated. Borrowers are customers of PMH (as lender of record) and counterparties in the firm's matters; both entities' obligations are discharged through the group's borrower CDD policy.

9. **Intermediaries (brokers) — Low–Medium.** A significant share of matters are introduced by finance brokers. Brokers are not customers, but introduce non-face-to-face business and are relied on for initial transaction context. The broker population in the group's records is stable and Australian-based; unfamiliar introducers are a review trigger.

Service risk

10. **Private lending (loan services) — Medium inherent.** Private mortgage lending is a recognised ML channel: illicit funds can be placed as loan principal, laundered through structured early repayments, or integrated through loan-back arrangements. This is the group's core activity and its highest inherent risk. Mitigating features intrinsic to the model: every loan is secured by a registered mortgage on public title disclosing parties, principal and terms; funds flow bank-to-bank; and the lender of record (PMH) is a group entity, not an external customer structure.

11. **Conveyancing / real estate transactions — Medium inherent.** Real property is a recognised store of value for illicit funds. The group's exposure is as lender-side solicitor rather than purchaser-side, which reduces proximity to purchase funds, but settlement services remain inherently attractive to ML.
12. **Trustee / corporate-arrangement roles — Low.** PMH's trusteeship is the internal mechanism of the lending structure rather than a service marketed independently; the class of beneficiaries is the same low-risk lender base described above. The firm's arranging of PMH for clients, and occasional shelf company or structuring work, is ancillary and low-volume.
13. **Custodial / asset management / intermediary services — Low.** These arise as incidents of the mortgage practice (holding documents and funds in trust in the course of transactions, intermediating between lender and borrower) rather than as standalone services.

Channel risk

14. Services are delivered substantially non-face-to-face: instructions arrive by email and phone, frequently via brokers, and settlements occur electronically on PEXA. Non-face-to-face delivery elevates identity risk; it is mitigated by ARNECC-standard VOI (safe-harbour where practicable) performed by the borrower's own solicitor with reliance records retained, electronic verification of lender individuals' identity documents against issuing-authority records via the Document Verification Service (DVS), with certified copies or video KYC as alternative channels, and PEXA's subscriber verification, Client Authorisation and bank-to-bank settlement architecture. Rating: Low–Medium.

Geographic risk

15. Operations, clients, borrowers, funds flows and security properties are wholly Australian. Multi-state activity (NSW, VIC, QLD, SA, WA, TAS) carries no differential ML/TF risk. No dealings with high-risk or sanctioned jurisdictions occur in the ordinary course; any foreign resident, foreign passport, offshore account or foreign source of funds is by definition outside the group's profile and triggers enhanced due diligence. Rating: Low.

Payment and delivery risk

16. No cash is accepted. All movements are electronic through the firm's trust account or PEXA source accounts at ADIs, producing complete bank audit trails. Threshold transactions in physical currency are accordingly not expected to occur; any attempt to introduce cash is itself a suspicion trigger. Rating: Low.

Risk ratings summary

Risk factor	Inherent	Key controls	Residual
Lender clients	Low	Lender CDD policy (two-tier); DFAT sanctions screening	Low
Borrowers / guarantors	Low–Medium	Borrower CDD & VOI policy; reliance on borrower's solicitor; ASIC/trust deed checks; EDD triggers	Low
Private lending (loan services)	Medium	Registered-mortgage transparency; bank-only funds; monitoring & SMR procedure	Low–Medium
Conveyancing / settlements	Medium	PEXA/ARNECC VOI; trust account controls	Low–Medium
Trustee / corporate roles	Low	Group-controlled structure; beneficiary CDD	Low
Channels (non-face-to-face)	Low–Medium	VOI safe harbour; DVS electronic verification; reliance records	Low
Geography	Low	EDD on any foreign element	Low
Payments	Low	No-cash rule; escalation on attempted cash	Low

17. **Overall group residual risk: Low–Medium,** driven principally by transaction volume in private lending and settlement services. The control environment is proportionate to a practice of ~650–830 settlements per annum with a concentrated domestic client base.

Terrorism financing

18. TF risk is assessed as Low. The group's services (secured commercial lending over Australian real property, minimum transaction sizes in the hundreds of thousands of dollars, full bank traceability, registered public security) are poorly suited to TF typologies, which favour small, rapid, low-visibility value transfers. Sanctions and terrorist-listing screening under the group program addresses the residual exposure.

Application to the AML/CTF program

19. The group AML/CTF program gives effect to this assessment through: the Lender Client DD & VOI Policy (two-tier); the Borrower / Mortgagor DD & VOI Policy (reliance model); DFAT Consolidated List screening of all new customers and beneficial owners; enhanced due diligence on the triggers listed in those policies (foreign elements, PEP or sanctions matches, unexplained funds, structuring indicators, urgency, cash); SMR and TTR procedures with statutory timeframes; personnel due diligence and annual training; record keeping for seven years; and oversight by the AML/CTF Compliance Officer with reporting to the directors.

10. Review triggers

20. Trigger event:

    a. Any new designated service, client type, delivery channel or jurisdiction.

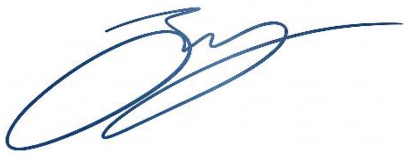
    b. Any SMR lodged, or any pattern of EDD escalations.

    c. Material regulatory change (Act, Rules, AUSTRAC guidance) or AUSTRAC feedback.

    d. Material change in group structure or in PMH's lending model.

11. Adoption

21. Adopted as the ML/TF risk assessment of each reporting entity in the Bransgroves reporting group by resolution of the director of Bransgroves Lawyers Pty Ltd and Private Mortgage Holdings Pty Ltd.



____

Matthew Bransgrove — Director, AML/CTF Compliance Officer   Date 2 August 2026