

CHAPTER IV

HISTORY AND BACKGROUND OF SOPHONPANICH FAMILY

4.1 Introduction

This family is one of the most famous business families in Asia, and its members are major shareholders of Bangkok Bank, the largest bank in Southeast Asia. Their type of Business including: banking, finance, securities, insurance, leasing, land development, trading and industry.¹ The one who started and sustain this family's success was Chin Sophonpanich, who was one of the most respected and successful banker in Southeast Asia, despite limited advanced education in financial and banking affairs. In this chapter, I will introduce the history and background of Sophonpanich family, since Chin Sophonpanich, Chatri Sophonpanich, to Chartsiri Sophonpanich.

4.2 Chin Sophonpanich: The Founder of Bangkok Bank

“He was among the world's richest Overseas Chinese, one of the top five most powerful leaders of the global Teochiu community. He had built the biggest private bank in South East Asia, and he was the personal banker for everybody who was anybody in the Bangkok military regime.”² His name was Chin Sophonpanich.

Chin was born in Wat Sai, Bangkhunthien, Thonburi, Thailand on June 24, 1910,

¹ “Sophonpanich Family”, Big Business in Thailand: Profiles of Prominent Thai Business Groups, p. 165

² Sterling Seagrave, Lords of the Rim (London: Bantam Press, 1996), p. 210.

the son of a Chinese immigrant.³ He was born in a family with a Teochiu father, Mr. Pan and Thai mother, Mrs. Soon. He is the eldest children in this family. His father Mr. Pan worked as a commercial clerk in Bangkok at that time. At that time, it was traditional that a child born to a Chinese family had to be sent back to China for education, and Chin was no exception. At the age of four, Chin went to stay in Shantou,⁴ his father's hometown in China for several years and studies Chinese language there. He stayed there for 12 years and attended primary school there, but did not complete secondary school due to poverty, so he began to work as a teenager.

When Chin was at the age of 17, he returned to Thailand and found work as a clerk in a timber shop in Bangkok, doing everything from cooking to sweeping the floor, earning a salary of eight baht a month.⁵ But when his employer learned that he could read and write Chinese, he promoted Chin as general manager of a new timber shop he had opened, and Chin's monthly salary increased to 40 baht.⁶ However, after only one year, the timber shop burned down in 1930, he had to return to China with his parents in 1931, at the age of 21 and married his first wife, Mrs. Sangwailao Eng or Lau Kwei Ying in Shantou dialect. They have four children, only two boys survived (Rabil and Chatri), but they were to be his principal heirs. In China, Chin worked as a ship operator and traveled between Bangkok and China. However, the business was not successful, so he gave up the sea and returned to Bangkok again in 1937.⁷ Before returning to Thailand, he also received some training in insurance in China.

³ The Nation, "A Genius with the Human Touch," 40 Years of Bangkok Bank, Chin Sophonpanich, the Man Who Made It Possible. (Bangkok: The Nation. 1984), p. 12.

⁴ Shantou locates in Guangdong province, southern China.

⁵ The Nation, "A Genius with the Human Touch," 40 Years of Bangkok Bank, Chin Sophonpanich, the Man Who Made It Possible, p. 12.

⁶ "Sophonpanich Family," Big Business in Thailand: Profiles of Prominent Thai Business Groups, p. 169.

⁷ "Sophonpanich Family," Big Business in Thailand: Profiles of Prominent Thai Business Groups, p. 169.

After Coming back to Thailand, Chin married a new wife at the age of 26, this time to a Thai-Chinese woman named Boonsri. The couple had five children: Charn, Chote, Chai, Chodchoy and Choedchu, four sons and one daughter,⁸ the daughter is Chodchoy. In business, Chin decided to move in with a friend, Udane⁹, who has been his junior for five years. Chin worked as a clerk-bookkeeper for a building suppliers owned by Udane's uncle. Chin was employed giving quotes, collecting bills and filling orders. Everyone was impressed by his speed and skill with accounts. Despite his very limited education, he was a prodigy with figures and financial concepts. Udane was the adopted son of General Phin Choonhavan, this close relationship helped Chin to get onto the fringes of the powerful circle of colonels and generals successfully, which was the jumping-off point of his future enterprise.

During the World War Two, with the arrival of the Japanese, retail trade in Thailand transformed temporarily. Prices shot up. Strategic materials such as rubber, tin and copper wire were in great demand. Traders with access to commodities and construction materials could make a fortune supplying the Japanese. New opportunities emerged.

Although Chin had been only a warehouse clerk, he was given financial backing from General Phin to set up a small retailing business. At the age of 29, Chin started his own building supply, Asia Company, which dealt in lumber, hardware and canned goods, and made immediate profits, and with them he played the gold market through another company. "I was operating my own store selling an assortment of products such as steel items, stationery and construction materials etc...It was a four-storey building and we

⁸ According to the family tree of the Sophonpanichs from "Sophonpanich Family," Big Business in Thailand: Profiles of Prominent Thai Business Groups, p. 169.

⁹ Chin and Udane had the same ancestral home in China, Chao-yang Hsien, and members of the Chao-yang Hsien Association were the most influential Chinese in Thailand.

sold different things on each floor...” Chin recollected.¹⁰ Gold prices rose to twenty times pre-war levels. Chin came out of the war a wealthy man in only three years (1942-1945). He set up a number of new companies in trade, construction, insurance, gold and foreign exchange. His connections expanded to include Teochiu rice and gold merchants throughout Southeast Asia and South China.¹¹

The increased demand for precious metals in war years made gold and foreign exchange market very lucrative. Thus, Chin was concentrating on these two markets at that time. He imported gold from Teochiu sources in Hong Kong and other Asian capitals, and sold it to Chinese. Every Wednesday, he or one of his clerks went to airport to pick up the latest shipment, rolled it over in the brisk Bangkok gold market and got the profits. In the fact, Chin was not only working for himself or General Phin, but also the entire Teochiu dialect group.

Chin kept abreast of the Asian gold market by radio to stay ahead of other rivals. Chin did smart and fast action that even government departments were less sophisticated. At that time, except for the BBC, there was at the time no regular financial reporting service on any wavelength. While Chin used a Teochiu shortwave link from Hong Kong to keep himself obtain commodity prices and fluctuating exchange rates as soon as possible.

Chin had his own system of cables for shortwave transmissions. Urgent information would arrive by cable and wireless at the General Post and Telegraph Office. Chin kept a full-time employee at the post office, whose responsibility was just collecting cables the moment they arrived and telephoning the information to his boss.

¹⁰ The Nation, “A Genius with the Human Touch,” 40 Years of Bangkok Bank, Chin Sophonpanich, the Man Who Made It Possible, p. 7.

¹¹ Sterling Seagrave, Lords of the Rim, p. 212

This method gave Chin detailed market tendency several hours ahead of his other rivals and also helped Chin to become monopolistic in foreign exchange market too.

With good business opportunities sensing, Chin, as a young man, set up a finance company which primarily dealt with foreign exchange just after the World War II. “The war had just come to an end and the government didn’t have any control measures on foreign exchange business. So, it was a relatively free system on that front at the time,” Chin recalled.¹² Asia Trust Co. soon became the country’s most influential and reliable sources of foreign exchange activity. “First thing every morning, all the bankers and businessmen would come to our office and check the exchange rate quotations for the day. We became sort of the authority in this field.” Chin boasted.¹³

Vira Ramyarupa, the executive vice president for domestic branch administration of Bangkok Bank, old friend and close confidant of Chin, explained that the company’s foreign exchange rates daily quotations were displayed on a huge neon-lit board for easy reference. “It was an eye-catching board, and people crowded around it to get the latest quotations. Mr. Chin had to work very hard, getting up before other people to check the world’s exchange rates so that he could announce quotations for the local scene.”¹⁴ Chin gained a reputation for extraordinary ability to calculate foreign exchange rates in his mind. He was well-known for his “computer brain” in arriving at figures and financial estimates in very short time. “He is a genius. He could use an abacus to beat any computer program on figures”, commented Prasit Kanchanawat¹⁵.

¹² The Nation, “A Genius With the Human Touch,” 40 Years of Bangkok Bank, Chin Sophonpanich, the Man Who Made it Possible, p. 9.

¹³ The Nation, “A Genius With the Human Touch,” 40 Years of Bangkok Bank, Chin Sophonpanich, the Man Who Made it Possible, p. 10.

¹⁴ The Nation, “A Genius With the Human Touch,” 40 Years of Bangkok Bank, Chin Sophonpanich, the Man Who Made it Possible, p. 10.

¹⁵ Mr. Prasit Kanvhanawat, was the Chairman of the Board of Directors since August 22, 1984 after Mr. Chin Sophonpanich retired.

From its beginning, Bangkok Bank specialised in financial foreign trade and for many years foreign exchange profits were a major fraction of the bank's income.

After World War Two, Chin not only got the government monopoly in all gold trading, the monopoly on all foreign exchange transactions but also monopoly on all Chinese remittances to mainland China as well.

Many Chinese working in Thailand had to remit most of their incomes to their families in mainland of China. The old remittances transaction network was credited privately, without passing through any form of currency control. The Teochiu financial agent in Bangkok notified his counterpart in Shantou or Hong Kong, and the value of the gold was credited automatically, minus commissions at both ends. While in Chin's hand, the ancient transaction was developed into modern banking. Remittances went as bank transfers from Bangkok to Hong Kong to Shantou. It was possible to charge commissions at each stage, and lots more money was made on the foreign exchange conversions from one currency to another. What made it most profitable was that a time-lag was built into the transactions, so that all remittances could be held back to play the gold market in Bangkok, then the gold market in Hong Kong, and finally the gold market in Shantou. Using this way, Bank could get profit from other people's money several times.¹⁶

Besides, Chin saw the chance to set up a commercial bank because of six foreign banks operating in Thailand before the war, only one Japanese bank remained. It's fine time to establish Thailand's own bank. With a group of government officials, traders and businessmen, Chin became one of the initial founders of Bangkok Bank. It began service in Ratchawong, Bangkok, on December 1, 1944 with 23 staff. Chin was a

¹⁶ Sterling Seagrave, Lords of the Rim, p. 214.

shareholder and board member.¹⁷

In 1945, he was appointed director of Bangkok Bank and outside representative to the Chinese community. He also opened several companies with Chinese traders. In 1952, the shareholders of Bangkok Bank requested Chin to become managing director of Bangkok Bank in order to help salvage the bank, which was suffering from heavy losses.¹⁸ “There was a problem of cash flow every day at the Bank before I was asked to take over the management. It was no secret that everyday at 4:00pm when the Bank had to report to the Bank of Thailand through the trading house, there just wasn’t enough cash to meet the deadline. It became a daily problem,”¹⁹ Chin recalled.

He took the position of managing director and began to reconstruct the management team by bringing in Prasit Kanjanawat, a lawyer of Chinese descent, who later became a politician and was well-known for his sharp wit, Boonchu Rojanasathien, who was a professional accountant from Thammasat University, a former official of the Bank of Thailand, to supervise the accountant section and a Filipino to supervise the foreign banking section. Relied on his business knowledge, rich experience and his formidable working team, Chin learned the ropes quickly and became truly proficient in banking management, leading the bank toward rapid growth. Using his wide connections in business, Chin was able to attract many depositors and extend much short-term credit without problems. He did not disappoint those who had chosen him.

Most Asians knew little about Western banking methods before the Second World War. During the war, some Allied banks in Thailand were expropriated and their western officers and managers were imprisoned. A team from the Ministry of Finance

¹⁷ Peter E Beal, “The Empire Builders,” *Investor*, 1981 p. 9.

¹⁸ Peter E Beal, “The Empire Builders,” *Investor*, 1981 p. 9.

¹⁹ The Nation, “A Genius with the Human Touch,” *40 Years of Bangkok Bank, Chin Sophonpanich, the Man Who Made it Possible*, p. 10.

spent the entire war time studying the confidential records of western banks, and learning western bank techniques. Thanks to this precious and timely knowledge, seven new commercial banks started in Thailand after the war, Bangkok Bank was among them.

Chin had been studying western banking techniques and management skills assiduously. He had learned that Western banks accumulated large assets and profits by attracting the small savings accounts of shopkeepers and farmers, paying low interest on these savings, then lending the money out at high rates. Chin went after small Chinese depositors aggressively by offering 3 percent interest per month calculated daily, which was well above the norm in Thailand.²⁰

In order to learn from western bank, Chin made a tour to European banks. After getting back from European, he transformed Bangkok Bank's entire personality by introducing personalized accounts for bigger customers. This made many Thai and Chinese clients moved over from Bank of America and the Hong Kong and Shanghai Bank to Bangkok Bank. Many oversea Chinese corporations were also persuaded to move their business to Bangkok Bank.²¹

Chin broadened his Western-style banking operations by launching Thai Financial Syndicate (TFS), registered for lending, discounting bills, foreign exchange transactions, dealing in stocks, bonds and precious metals, and importing gold. Chin invited Police General Phao to take chairmanship of TFS. Police General Phao, deputy minister of finance, saw TFS as the only legal channel for gold imports to Thailand. TFS and Asia Trust were also the only non-banking financial organizations licensed to deal in foreign

²⁰ Sterling Seagrave, *Lords of the Rim*, p. 216.

²¹ Rob Salamon, "Chin Sophonpanich: The Bangkok Connection," *Insight*, 1978, p. 10.

exchange.²²

Chin's increasingly prospering business was not only because of his intelligence, diligence and foresight, but also due to the especially close connections with General Phao. It was sure that Chin was not the only overseas Chinese businessmen making use of high-level connections. No matter where they found themselves, overseas Chinese have always found it essential to buy protection and patronage from ruling elites and senior military officers. Those people were willing to sit on their boards, share their profits and supply convenience to them. Chin Sophonpanich could represent these overseas Chinese businessmen. Chin elaborately cultivated connections with General Phao at that time, and was widely regarded as General Phao's main business agent and his chief spokesman in Chinese community.

With the Police General Phao as major shareholders of Chin's enterprise, Chin got large deposits from Commerce Ministry, and Bangkok Bank was positioned to open its first overseas branches in Hong Kong in 1954, Tokyo in 1955 and branches in Singapore and London in 1957. He also gave a majority share of the bank to the Commerce Ministry, by increasing the registered capital from 20 million baht to 50 million baht, out of which the Commerce Ministry took 30 million baht.²³ After the Commerce Ministry became majority shareholder of the bank, the member of the Rajakrue group were responsible for increasing the bank's business activities since they were well connected with several groups of business executives. As a result, the bank got profits. And later, the bank's shareholders, including Chin and other senior staff members, bought the bank's shares back from the Commerce Ministry and the bank became privately owned again.

²² Lynn Pan, Sons of the Yellow Emperor: The Story of the Overseas Chinese, pp. 230-232.

²³ "Sophonpanich Family," Big Business in Thailand: Profiles of Prominent Thai Business Groups, p. 169.

The operation independence of General Phao's national police ended in September, 1957, and his rivals, a military group led by General Sarit Thanarat took over the power, exiling Phao to Switzerland, and appointing his crony General Thanom as prime minister, and another crony General Praphat, as minister of interior. This political wave undoubtedly menaced Chin's enterprises. Chin worried that General Sarit might take over his bank or even kill him due to his close association with the Rajakrue group. Chin went into self exile to Hong Kong but retained his position as managing director of the Bangkok Bank.²⁴

During the years Chin stayed in Hong Kong, he strengthened his Teochiu connections at the source, raised high in the ranks of the Teochiu leadership, and learned much about modern banking methods, computers, telecommunications, and offshore finance. In order to enhance the international leverage of Bangkok Bank and his Commercial Bank of Hong Kong, Chin started to link them with all Teochiu banking nodes in Asia, such as Singapore and Taiwan. Besides, as one of the leaders of increasingly global Teochiu community, he traveled to Philippines, Malaysia, Singapore and Indonesia, cultivating connections with rich overseas Chinese who were not Teochiu. Chin was the first to bridge the ancient gap between different dialect groups of China. Chin and Indonesian magnate Liem Sioe Liong became friends and collaborated with each other to pursue their commercial goals.²⁵

Chin and his Bangkok Bank lost General Phao as a protective umbrella, but new ideas came into Chin's mind very soon. The countermeasure was to name immediately General Sarit or his other crony in his power circle as new chairman of Bangkok Bank.

²⁴ "Sophonpanich Family," Big Business in Thailand: Profiles of Prominent Thai Business Groups, p.169.

²⁵ Sterling Seagrave, Lords of the Rim, p. 220.

After prudent consideration, he invited the new interior minister, General Praphat. Praphat was very resourceful, with his own large followers. Even Sarit was not likely to challenge anything Praphat did. After the agreement reached between this powerful General and Chin, he immediately announced that General Praphat had been named as the Bank's new chairman. From then on, Chin found a new protective umbrella for himself and his bank was politically stabilized again. General Praphat was renamed as chief executive officer of Bangkok Bank later, and remained as partner of Chin for twenty years.²⁶

Chin returned to Bangkok in 1964, and by that time, the bank had increased its registered capital to 200 million baht and ranked top one Thai commercial bank.²⁷ Ten years after Chin's return, Bangkok Bank became the leading financial institution, and the Sophonpanich family became the major shareholders of several related businesses dealing in insurance, securities and finance companies.

Chin was appointed chairman of Bangkok Bank in 1974, and one year after, Bangkok Bank increased its registered capital again to one billion baht and built a new headquarters on Silom Road. It was the tallest building located in the financial center of the city at that time, reflecting its leadership in the financial world.

Bangkok Bank's fortunes continued to improve, with sixteen domestic branches, four overseas, and declared assets of nearly fifty million dollars. In 1984, when the bank celebrated its 40th anniversary, Chin, at age of 74, decided to retire since the bank was in a very solid position. Chin let his eldest son by his first marriage, Robin (or Rabil) Chan, to take over management of his commercial bank in Hong Kong and his second son Chatri Sophonpanich, to take over management of Bangkok Bank. Chin resigned from

²⁶ Sterling Seagrave, *Lords of the Rim*, pp. 220-222.

²⁷ Peter E Beal, "The Empire Builders," *Investor*, 1981 p. 9.

all positions of Bangkok Bank in 1984,²⁸ and only stayed as honorary chairman. Chin Sophonpanich passed away on January 3, 1988, at the age of 78.²⁹ Management of the Bangkok Bank was formally inherited by his second son, Chatri Sophonpanich, in 1993. Bangkok Bank was the largest bank in Southeast Asia and was named one of the world's five most profitable banks in 1993 by a British credit-rating agency. Chin's business empire, which included almost 100 companies dealing in banking, finance, securities, warehousing, hospitals, soft drinks, insurance and real estate were divided among his seven children.

Chin Sophonpanich, a kid with the grade school education turned out to be a famous financial genius. He not only helped shape the Bangkok Bank, but also the entire Thai commercial banking system. His 40 years in industry brought great honors to himself. In Thailand, Chin became chairman of the Chao-yang Hsien Association, the richest hsien association of the richest overseas Chinese tribe. He also became president of the umbrella organization, the Teochiu Association of Thailand. In Jiulong of Hong Kong, he was named permanent chairman of Hong Kong's separate Teochiu Chamber of Commerce. He was regarded as one of the five most powerful Teochiu in the world. Many people say that Chin is a great example of a fighter, who works hard and refuses to give up, overcoming all obstacles until he succeeds.³⁰

²⁸ "Sophonpanich Family," Big Business in Thailand: Profiles of Prominent Thai Business Groups, p. 169.

²⁹ "Sophonpanich Family," Big Business in Thailand: Profiles of Prominent Thai Business Groups, p. 169.

³⁰ Bangkok Post, "Shaping Nation's Banking System," 50 Thai Who Helped Shaped Thailand. (Bangkok Post, August.1996), p. 48.

4.3 Chatri Sophonpanich: New Bloods Carry On a New Era of Bangkok Bank

After Chin's retirement, Bangkok Bank's management was given to Chatri Sophonpanich, the second son of Chin Sophonpanich. Chatri was born in Thailand on February 28, 1934.³¹ He was educated in Hong Kong at the Kwang Tai High Accountancy College and furthered his studies at the Regent Street Polytechnic of London and the Institute of Bankers in England. He also received vocational training at the Royal Bank of Scotland.

Chatri started his career in banking in 1958 at Asia Trust Co. Ltd as assistant vice president. In 1959, He joined the Bangkok Bank as Assistant Manager of the Accounts Department and was named Manager of the same department in 1962. The following year, he was named Vice President and Executive Director. In 1970, Chatri took up the post of a Senior Vice President, and in 1974, he became Senior Executive Vice President. The full presidency came in 1980. Chatri, having earned his promotion through hard work and devotion, remained convinced that the Bank's remarkable performance as well as future success would rely heavily on teamwork rather than on particular individuals.

Competition in the banking industry continued to escalate, which mad banking management much more difficult than forty years ago. "We have to work hard to keep up with rapid changes occurring throughout the world." said Chatri.³²

³¹ Vorasakdi Mahatdhanobol, "The Sophonpanich Family". p. 20.

³² The Nation, "Chatri Sophonpanich: This Is a New Era for Bangkok Bank," New Era of Professional Banking. (Bangkok: The Nation. 1986), p. 6.

“This is a new era for the Bank,” said Bangkok Bank president Chatri Sophonpanich, “an era of expansion of quality.” Quality is very much on Chatri’s mind. “We’re aiming,” he said, “not only to improve the quality of our services but also the quality of our management. We’ve got a team of highly qualified professional managers—they are our ‘new blood’”. “A bank is a service organization and the caliber of the management is a prime ingredient in whether the bank is successful or not.”³³

Chatri’s Presidency of 12 years at Bangkok Bank was regarded as the innovative period. He introduced the policy of improving the Bank’s quality by developing advanced technology in bank management, including the first online network of any bank in the country. In 1986, Bangkok Bank developed an electronic office banking system for major customers, which enabled them to transfer money from account to account themselves, laying the foundations for an inter-banking system.³⁴ This new office banking system let Bangkok Bank’s customers benefit at any rate and the Bank also benefited from the reduction of paper work and from the time saved. This new system helped Bangkok Bank attract customers successfully and set an example of enhancing the quality of service with the infusion of new technology.

“The Bank is now solid. What I want to see in the future is to maintain the solid base and to build strength on that. And that includes quality and service which come from teamwork and distribution of shares to the various sectors of society...” said Chatri.³⁵

³³ The Nation, “Chatri Sophonpanich: This is a new era for Bangkok Bank,” New era of professional banking, pp. 6-11.

³⁴ The Nation, “Chatri Sophonpanich: This is a new era for Bangkok Bank,” New era of professional banking, pp. 10-11.

³⁵ The Nation, “Chatri Sophonpanich: This is a new era for Bangkok Bank,” New era of professional banking, pp. 10-11.

Besides aiming to provide the higher quality and the better service that the public wants, Chatri's another major plan was to turn Bangkok Bank into a truly public institution that would play a crucial role in national development. "We are part of nation-building. And that's a very important part of our responsibility. We can't simply look at the Bank's operations from a static viewpoint," he stressed.³⁶

Chatri was also appointed to several important offices related to businesses both domestically and internationally. These included the Chairman of the Thai Bankers Association for three years, Chairman of the Asian Banking Council, a Member of the International Business Leaders, advisory for the Mayor of Shanghai (IBLAC), and Honorary Advisory to the Federation of Thai Industries. He also received an Honorary Degree of Business Management from De La Salle University in the Philippines and an Honorary Degree of Law from Peperdine in the USA. In 2004, the Asia Pacific Bankers Congress (APBC) honored Chatri with the prestigious Lifetime Achievement Award. This award recognizes bankers who have made outstanding contributions to the development and improvement of Asia's banking industry.

During Chatri's period, Piti Sithi-Amnuai and Damrong Krishnamara took position of executive vice-chairmen of Bangkok Bank. Chatri was an intelligent and industrious banker. Almost all bank officers regarded Chatri as a well respected and a good leader.

With about 20,000 staff members under him, Chatri keeps in touch with his colleagues through various management groups as well as occasional personal "memos" explaining the latest developments in the Bank's operations. There are also "Meet the Boss" lunch functions organized by the staff to maintain a proper channel of communications with senior executives and policy makers. "I make it a point to attend

³⁶ "The Bank Belongs to the Public," Thai Tycoons Winners and Losers in Economic Crisis, p. 21.

every Meet the Boss monthly lunch so that I can hear the staff members tell me what they might have to say,” Chatri said.³⁷

Chatri always emphasizes that working in Bangkok Bank has always been teamwork: “You may be a very bright person, but you cannot have four hands and 48 hours. Whatever problem arises, we put our heads together to solve it—a decision is reached after careful consideration by all members of the team. In our team, we go for experience, we go for brains, and we go for loyalty, integrity, and initiative.”³⁸

Bangkok Bank, under management of Chatri, has remained stable and is still the largest bank in Southeast Asia. During Chatri’s 12 years being at the helm, net profit of the bank has increased 12-fold with assets increasing 5-fold. In 1992, Bangkok Bank’s total net profit was 20 billions baht, higher than its registered capital of 10 billions baht.

Chatri resigned as managing director and promoted Dr. Vichit Surapongschai to replace him. Dr. Vichit was managing director for 14 months and then resigned. Chatsiri, Chatri’s eldest son, was appointed new managing director in 1993. Chatsiri inherits not only a bank, but also a 52-year-old regional institution. Is Chatsiri as clever as his grandfather and father? Time will prove it.

4.4 Chatsiri Sophonpanich: The Torch Passed from Generation to Generation

Chatsiri Sophonpanich was appointed President of Bangkok Bank in December

³⁷ The Nation, “Chatri Sophonpanich: This is a New Era for Bangkok Bank,” New Era of Professional Banking, pp. 10-11.

³⁸ The Nation, “Chatri Sophonpanich: This Is a New Era for Bangkok Bank,” New Era of Professional Banking, pp. 12.

1994. Chatsiri was born in Thailand in 1960 and was educated in the USA at the Massachusetts Institute of Technology where he obtained two Masters Degrees - one in Management and the other in Chemical Engineering. After working at Citibank in New York, he returned to Thailand and held various senior management positions in Bangkok Bank before assuming the role of President.

Chatri said when his son was on track to take over. "Most of my top people haven't changed," says the chairman. "Chartsiri is doing well under their guidance. He is building his own team so the veterans can retire or become executive directors."³⁹ Meanwhile, Chatri was buttressing Bangkok Bank's No. 1 position. The following strategy is: a gradual overhaul of systems and organizations while focusing more on retail banking. The giant is also expanding investment banking services, strengthening fee-based activities and opening more foreign branches -- without neglecting trade financing, its traditional strength.

Chartsiri took over the bank during the economic bubble era, and nobody could image and anticipate that a severe crisis in building. In the financial crisis in 1997, more than half of Thailand's tycoons were wiped out, but Chartsiri Sophonpanich and his family survived. Wealth of Chartsiri and his family was ranked at 3.1 billion US dollars by Fortune magazine in 1996. But Chartsiri said that crisis had made his family 60 percent poorer. The value of Bangkok Bank's investment has also fallen to half of origin.

The Sophonpanich family had survived this economic crisis because Bangkok Bank successfully raised fresh capital from international financial markets in April 1998. When Chatri heard that the private placement drew a final pricing of 93 baht a share

³⁹ The Nation, "Sounding the Retreat," Thai Tycoons Winners and Losers in Economic Crisis, p. 14.

from a total of 425 million shares offering, Bangkok Bank managed to sell the stocks at 93 baht a share, higher than Thai Farmer Bank. This huge capital raise brought in 1 billion US dollars to the bank, which could be facing loans of 30 to 35 percent. Foreign investors were happy to buy into the Bangkok Bank franchise and gave the bank the benefit that it would survive this economic recession. The private placement has raised foreign ownership in the bank to 49.8 percent. But Chatri has good relationships with his strategic partners in China and Taiwan, who helped to ensure that the management would keep its independence. With successful private placement, the Sophonpanichs and Lamsams were able to get through the stormy period, while other family banks flounder.⁴⁰

The success of the private placement should be attributed to Chatsiri too, who worked very hard to ensure that Bangkok Bank got the best possible deal. He was always staying late at night at the bank and bringing home stacks of documents to sign. There has been talk that he is acting more like a CAO (Chief Administrative Officer). Chatsiri proved himself by salvaging the bank and steering it into fresh directions during the catastrophic crisis.⁴¹

He is currently the Chairman of the Thai Banker's Association, a board member of Visa International, a member of the committee to oversee the management of the Thai Asset Management Corporation (TAMC), a director of Thai Airways International, the chairman of the Thai Red-Cross fund raising sub-committee and a member of the committee of the International Human Resource Development Foundation.

⁴⁰ The Nation, "Sounding the Retreat," Thai Tycoons Winners and Losers in Economic Crisis. (Bangkok: The Nation, 1998), pp. 12-14.

⁴¹ The Nation, "Sounding the Retreat," Thai Tycoons Winners and Losers in Economic Crisis, p. 14.

The Sophonpanichs' Family Tree⁴²

1st Generation	2nd Generation	3rd Generation
<p>Mr.Chin Sophonpanich (Born 1910)</p> <p>+Mrs.Sangwailao Eng (Lau Kwei Ying in Swatow Dialect)</p> <p>+Mrs. Boonsri (Anai)</p>	<p>1. Mr. Rabin (Born 1932) + Mrs. Nalin</p> <p>2. Mr.Chatri (Born 1933) + Mrs. Sumanee</p> <p>1. Mr. Cham (Born 1941) + Mrs.Chiwa</p> <p>2. Mr. Chot (Born 1942) + Mrs. Kanya</p> <p>3. Mr. Chai (Born 1943) + Mrs. Nutchanat</p> <p>4. Mrs. Chodchoy (Born 1944) + John Young</p> <p>5. Mr. Choedchu (Born 1946) + Mrs. Kanchana</p>	<p>1.Mr. Stheven (Born 1954) + Joy Lee</p> <p>2.Mrs. Mary-Anne (Born 1956) + Mr. Anucha Arisakul</p> <p>3.Miss Donna (Born 1957)</p> <p>4.Mr. Chanvut (Born 1965)</p> <p>1.Mr. Chartsiri (Born 1960)</p> <p>2. Mrs. Savitree (1961) + Mr. Narudal Romyarup</p> <p>3. Mr.Chalee (Born 1962)</p> <p>4. Mrs Suchada (Born 1963) + Mr.Sombat Leesawatrakul</p> <p>1. Mr. Varit (Born 1982)</p> <p>2. Miss. Malee (Born 1984)</p> <p>1. Mrs. Chotiya (Born 1972)</p> <p>2. Mr. Chalit (Born 1974)</p> <p>3. Mrs. Supana (Born 1977)</p> <p>4. Mrs. Kitiya (Born 1980)</p> <p>1. Chanida (Born 1972)</p> <p>2. Mrs. Louyluk (Born 1975)</p> <p>3. Mr. Chawan (Born 1975)</p> <p>4. Mrs. Chanee (Born 1979)</p> <p>5. Mrs. Lasa (Born 1981)</p> <p>1. Mr. Chayut Youngpichit (Born 1972)</p> <p>2. Mr. Marut Youngpichit (Born 1974)</p> <p>3. Mr. Chesada Youngpichit (Born 1976)</p> <p>4. Mrs. Kalin Youngpichit (Born 1978)</p> <p>1. Mr. Chon (Born 1975)</p> <p>2. Miss Chonlada (Born 1981)</p> <p>3. Mr. Itti (Born 1984)</p>

⁴² "Sophonpanich Family," Big Business in Thailand: Profiles of Prominent Thai Business Groups, pp. 169-170.

Table 4. The Sophonpanich Empire main operating companies⁴³

Associated family member	Family company	New Ventures
Chatri Sophonpanich	Bangkok Bank (commercial bank)	City Real Estate Co. (real estate with Mitsui, Kuok family)
	Asia Securities (brokerage)	HMC Polymer (petrochemicals)
	Asia Credit (finance company)	Bangkok Polyethylene (petrochemicals)
	Union Asia Finance (brokerage)	
Rabin Sophonpanich	Commercial Bank of HK (commercial bank)	Robina Investments (investment company with Chatri)
	Asia Insurance (insurance)	
	Bangkok Mercantile (trading)	
	United Asia (trading)	
	Robina Credit (finance company)	
	Money Securities (brokerage)	
Charn Sophonpanich		Commercial Software Services Ltd (computer services)
		Compunet (data Transmission with Cable & Wireless)
Chote Sophonpanich	Capital Finance & Securities (brokerage)	Thai Business Consultants Capital Venture Services (related investment services firms)
	Krung Dhep Warehouse (warehousing & real estate)	Tuntex (Thailand) (textiles with Tuntex)
	Greenspot (Thailand) (soft drink bottles)	Joint venture with A. W. Watsons (supermarket)
	United Palm Oil International (plantation & milling)	
	Bangkok Insurance Co.	

⁴³ Paul Handley and Jonathan Friedland, "The Clan Hangs Together or Separately," *Far Eastern Economic Review* 144, 15 (1989), p. 56.

Chai Sophonpanich	(insurance)	
	Bangkok Life Assurance (life insurance)	
	Bumrungrad Medical Center (hospital)	
Choedchu Sophonpanich	Bangkok First Inverstment Trust (brokerage)	