

Document 1902

[21902001]

Great American Bank said its board approved the formation of a holding company enabling the savings bank to pursue nontraditional banking activities under a new federal law .

[21902002]

The proposed holding company 's primary purpose would be to allow Great American to continue engaging in real estate development activities , it said .

[21902003]

Those activities generated \$ 26.1 million in operating profit last year .

[21902004]

But according to Great American , such profits do n't count toward meeting the San Diego savings bank 's new capitalization requirements under 1989 federal law .

[21902005]

The new real estate unit would have a separate capital structure to comply with the law .

[21902006]

The proposed holding company would also consolidate Great American Bank in San Diego and its Tucson , Ariz. , savings bank into a single , federally chartered institution in San Diego .

[21902007]

The consolidation is expected to save \$ 1 million a year in administrative costs , a Great American spokesman said .