

State-run [Punjab National Bank](#) (PNB) on Tuesday announced an [ESOP scheme](#) with a view to retaining its talent and incentivising staff by issuing up to 100 million equity shares.

The [bank](#) said it will issue up to 100 million equity shares to its employees under '[Employee Stock Purchase Scheme](#) (ESPS)'.

A note is being placed to board in its ensuing meeting dated June 15, 2018 regarding [ESPS](#) with a proposal for issuance of up to 100 million equity shares to its employees, the [bank](#) said in a regulatory filing.

"The members of nomination and remuneration committee will decide the total number of shares to be issued under the [ESPS](#) scheme along with the maximum number of shares to be issued to an employee," the bank said.

The government in March 2017 had allowed public sector [banks](#) to offer stock options to their employees, aimed at retaining experienced hands and better incentives besides a means of capital raise.

[Allahabad Bank](#) and [United Bank](#) earlier in December had announced to offer their employee stock option scheme.

Both the [banks](#) will offer 50 million ordinary shares to their staff.

The proceeds from share sale will be used to raise the badly needed core capital of the bank which has long ago been placed under the prompt corrective action by the Reserve Bank, [Allahabad Bank](#) had said in earlier in January.

"The price at which these shares will be issued would be decided by the board or committee of directors", it had said.

[United Bank](#) has also initiated process to make employees stakeholders by way of issuing employee stock option (ESOP).