Use of the Modal 'Shall' for Expressing Flexibility and Constraint in Access Bank Loan Agreements

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Abstract
This study examined the use of the modal verb "shall" in Access Bank's Lending Against Turnover Loan Terms and Conditions to determine how it expresses both flexibility and constraint, achieving the bank's goals of enforceable obligations and adaptable terms. The objectives included analyzing how "shall" conveys borrower commitments, mitigates financial risk, and allows responsiveness to economic fluctuations. A qualitative content analysis was conducted on the loan agreement, focusing on excerpts that illustrate various uses of "shall" to balance strict and conditional obligations. Major findings revealed that "shall" serves to create mandatory borrower responsibilities while permitting certain terms to be adjusted based on external conditions, aligning with financial industry practices of ensuring clarity and adaptability. The study concluded that "shall" is a crucial linguistic tool in legal and financial documents, achieving the dual goals of risk management and operational flexibility. This research contributes new knowledge to linguistics and financial studies by illustrating how a single modal verb can enforce obligations and accommodate evolving economic contexts, revealing the adaptive nature of contractual language in finance.

Keywords: Access Bank, constraint, financial agreements, flexibility, modal verbs

INTRODUCTION

In the field of financial documentation, especially in loan agreements, language plays a crucial role in defining the obligations, rights, and expectations of all parties involved. Such language is crafted to be precise, leaving minimal room for ambiguity, as these documents carry significant financial and legal implications (Crystal & Davy, 1969). A key feature of this language is the use of modal verbs, particularly "shall," which is widely used to articulate obligations, rights, and conditions in legal contexts (Palmer, 2001). The modal "shall" has traditionally been associated with expressing strong obligations or requirements in legal language, as it provides an enforceable commitment within the document (Jegede, 2022; Coates, 1983). In the specific context of bank loan agreements, the use of "shall" establishes legally binding conditions, setting out the terms and consequences of various actions or inactions of the borrower and lender (Williams & Davies, 2016). Given the weight of financial and legal responsibility associated with such agreements, the language chosen must balance clear obligations with the flexibility to account for unforeseen changes, such as interest rate adjustments or payment restructuring (Gotti, 2003). Despite its prevalent use, the study of modal verbs, particularly "shall," in financial documents, remains limited.

While much research has been conducted on the use of modality in legal language, most studies focus on legal statutes, court documents, and contracts rather than bank loan agreements (Leech, 2004; Tiersma, 1999; Gotti, 2003; Aijmer, 2002; Downing & Locke, 2006; Tiersma, 1999; Leech, 2004). This leaves a notable gap in our understanding of how "shall" functions in financial agreements to express both constraint and flexibility. Studies such as those by Palmer (2001) and Aijmer (2002) have explored modality in formal contexts, revealing how modals can convey various degrees of obligation, permission, and possibility. However, they rarely address how these linguistic tools are applied in banking and finance, especially in the structuring of contractual obligations. As such, this study aims to bridge this gap by focusing specifically on how "shall" is employed in Access Bank’s Lending Against Turnover Loan Terms and Conditions. Investigating this underexplored area is essential, as loan agreements are legally binding documents that significantly impact both the lender's rights and the borrower’s obligations, and understanding the linguistic mechanisms used can clarify how banks enforce or allow flexibility in these agreements.

This study aims to examine how Access Bank uses the modal "shall" within loan agreements to express flexibility and constraint in ways that serve its institutional goals. More specifically, the objectives of this study are threefold: (1) to identify instances where "shall" is used to convey obligatory terms for the borrower, expressing constraints, such as repayment conditions, penalties, and loan security, (2) to explore how "shall" provides for flexibility in the agreement, for instance, by allowing for adjustments to interest rates or repayment terms, and (3) to analyze how these usages reflect the bank's intentions to protect its financial interests while maintaining adaptability to economic shifts. This examination contributes to a subtle understanding of how the deployment of modals supports the strategic interests of financial institutions within legal frameworks.

The significance of this study lies in its contribution to the intersection of linguistics, finance, and law. Understanding how "shall" operates in legal financial documents provides new insights into how language enforces contractual obligations and negotiates the potential for change. From a practical perspective, this knowledge benefits legal practitioners, financial institutions, and borrowers, who may better interpret the obligations set out in their agreements. Additionally, this study contributes to the broader field of linguistics by expanding our understanding of modal verbs in specialized discourse, a domain where language is employed with precision to achieve particular institutional aims. Furthermore, for banking and finance professionals, the findings of this study reveal how language can be strategically utilized to align contractual language with the institution’s operational and economic goals. Examining "shall" in the context of Access Bank’s loan agreements provides new insights into how language influences financial relationships and enforces compliance, thereby contributing to the fields of linguistics and banking.

Literature review

Modality in English

Modality in English refers to the grammatical and lexical tools used to express attitudes, degrees of certainty, permission, obligation, and likelihood concerning events or propositions (Bublitz, 1992; Gerhardt, 1991). Collins (1991) notes that modal verbs play a central role in expressing modality, allowing speakers to shape statements beyond mere factual descriptions. This language feature enables subtle communication, covering a range of meanings, from expressing possibility to asserting necessity (Blakemore, 1994). English modality is a vital component of sentence semantics, as it influences the interpretation of the events described and reflects the speaker's subjective stance (Saeed, 2003). Modal verbs in English—such as "can," "may," "must," "will," "should," and "shall"—serve different functional and semantic purposes, making them essential in both everyday and specialized contexts.

Types of modal verbs

Modal verbs can generally be categorized into three types: epistemic, deontic, and dynamic. Each category reflects a different aspect of modality and has unique functions in conveying the speaker's intent or attitude toward an event.

Epistemic modality

Epistemic modality is concerned with the degree of certainty or belief regarding a proposition. Modals such as "may," "might," and "must" are often used to convey epistemic meanings, ranging from possibility to strong likelihood. For example, "She may be at home" expresses uncertainty, while "She must be at home" conveys a higher level of confidence or belief on the speaker's part. Epistemic modality, therefore, serves as a tool for expressing judgments about knowledge and assumptions, allowing speakers to explore the boundaries of certainty (Palmer, 2001). This form of modality is frequently used in hypothesis and inference, making it an important component of speculative or cautious language.

Deontic modality

Deontic modality refers to necessity, permission, or obligation, reflecting the speaker's sense of social or moral duty. Modals such as "must," "should," and "may" often convey deontic meanings. For example, "You must complete the assignment" imposes a requirement, whereas "You may leave" grants permission. Deontic modality is essential in expressing authority and societal norms, guiding behavior within specific social contexts (Bybee, Perkins, & Pagliuca, 1994). In deontic contexts, the modals often have a prescriptive function, allowing speakers to enforce rules or grant permissions that influence the actions of others.

Dynamic modality

Dynamic modality is related to the ability, willingness, or capacity of a subject to perform an action. The verbs "can" and "will" often express dynamic modality, as in "She can swim" (ability) or "He will help you" (willingness). Dynamic modality focuses on the subject's characteristics or disposition rather than external rules or assumptions. This type of modality has a descriptive quality, often providing insights into a subject's potential actions or internal motivations (Calbert, 1975).

The function of "shall" in English modality

Among modal verbs, "shall" occupies a unique and diverse role in English. Though less common in contemporary conversational English, "shall" remains significant in legal, formal, and instructional contexts. Traditionally, "shall" has been used to express both deontic and epistemic meanings, although its primary association is with obligation and future intentions.

"Shall" as a marker of obligation

In legal and formal documents, "shall" is frequently employed to establish binding obligations, making it a common feature in contracts, regulations, and policies. For example, the phrase "The tenant shall pay rent on the first of every month" imposes a mandatory requirement, leaving no room for ambiguity regarding the tenant's responsibility. This use of "shall" reflects the deontic modality of necessity and obligation, where the verb functions as an enforceable directive. According to Palmer (2001), "shall" serves as a strong indicator of commitment, particularly in formal agreements where legal adherence is paramount.

The use of "shall" in legal discourse is intended to create unambiguous and enforceable rules. For instance, in Access Bank’s loan agreements, "shall" is used to impose strict borrower obligations and safeguard the bank's interests, blending legal authority with financial prudence. Such applications of "shall" demonstrate how modality shapes contractual language to ensure clarity, compliance, and accountability (Saeed, 2003).

"Shall" in expressing future intentions

In addition to conveying obligation, "shall" has traditionally been used to express future events or intentions, particularly in British English. For instance, "We shall meet tomorrow" suggests a planned action in the future. This use of "shall" implies a mild degree of commitment without the strict enforceability seen in legal contexts. Though "will" has largely replaced "shall" in general future-tense constructions in modern English, "shall" remains a distinct choice in contexts where formality and a sense of duty are involved (Blakemore, 1994).

Conditional obligations and flexibility

In formal language, "shall" is often used conditionally, allowing some flexibility within otherwise binding obligations. For instance, in contractual agreements, "shall" clauses might include conditional phrases, such as "The borrower shall repay the loan, provided all terms are met." This conditional use of "shall" accommodates unforeseen factors, allowing adjustments to terms while maintaining a clear expectation of compliance. Bybee, Perkins, and Pagliuca (1994) note that conditional modality in legal language often hinges on such modal structures, which balance enforceability with adaptability.

The study of Access Bank's use of "shall" in loan agreements illustrates this conditional flexibility, in which the bank's terms accommodate varying economic conditions. Such use of "shall" enables the bank to adjust interest rates based on market trends, creating a balance between binding obligations and practical considerations. This flexibility is crucial in financial contexts, where static terms may be less viable in the face of economic volatility (Calbert, 1975).

"Shall" as a tool of certainty and authority

The formal use of "shall" also conveys a sense of authority and certainty, making it a preferred choice in instructional and legislative language. For instance, in regulatory statements like "Employees shall wear identification badges," "shall" functions as an authoritative directive. According to Palmer (2001), this authoritative role of "shall" is rooted in its deontic modality, which emphasizes prescriptive language that carries an official weight.

Access Bank's application of "shall" in customer agreements similarly reflects this authoritative tone. Specifying borrower obligations with "shall" creates a perception of absolute authority for the bank, revealing its control over the terms. This function of "shall" aligns with Saeed's (2003) observation that modality in legal documents often seeks to affirm institutional authority, reinforcing the contractual obligations of all parties involved.

Thus, modality in English, through modal verbs like "shall," enables speakers and writers to convey obligations, permissions, abilities, and degrees of certainty in subtle ways. The modal verb "shall" stands out as a versatile tool, especially in formal and legal contexts, where it expresses obligation, future intent, conditional flexibility, and authority. Its varied uses, from contractual mandates to conditional clauses, illustrate the dynamics and adaptability of modality in English, allowing it to meet the specific requirements of institutional language. Utilizing "shall" to articulate enforceable yet flexible terms allows institutions such as banks to achieve both clarity and adaptability, thereby supporting operational goals while addressing changing circumstances.

The role of modality in legal and institutional discourse

Modality plays a critical role in legal and institutional discourse, serving as a linguistic tool to establish authority, delineate obligations, and ensure the enforceability of agreements. Legal language, with its need for precision and clarity, often relies on specific modal verbs to convey degrees of obligation, permission, or possibility. In legal and institutional documents, modal verbs such as "shall," "may," "must," and "should" hold significant importance because of their ability to signal obligatory actions and permissible conditions (Blakemore, 1994). This paper explores how modality, particularly through the modal "shall," is strategically employed in legal and institutional contexts to guide compliance, clarify expectations, and create binding agreements.

One of the most prominent features of modality in legal discourse is the reliance on the modal verb "shall." In English, "shall" carries a strong prescriptive function in legal contexts, often used to impose duties or outline mandatory actions. For instance, Blakemore (1994) reveals that "shall" is commonly applied in legal documents to denote actions that are required by law, distinguishing it from other modals that imply suggestion or possibility. This precise use of "shall" eliminates ambiguity and leaves little room for subjective interpretation, ensuring that the language remains straightforward and the obligations clear to all parties involved. Furthermore, the use of "shall" helps reinforce authority, as it signals to the reader that the stipulated conditions are non-negotiable and must be followed. As Palmer (2001) notes, the prescriptive nature of "shall" helps reinforce the institutional authority embedded in legal discourse by establishing a clear, enforceable mandate.

The modal "shall" also functions to delineate rights and responsibilities between parties in legal contracts, facilitating a mutual understanding of each party's role. Contracts, by design, serve to formalize agreements between parties, and the use of "shall" within such documents functions as a guarantee of compliance with specified terms. For example, a phrase like "The borrower shall repay the loan" is not merely a recommendation but an enforceable condition, one that if breached, can result in legal repercussions. This prescriptive use of "shall" in delineating duties and prohibitions is essential in legal discourse, as it provides a structural basis for accountability and enforceability. Bybee, Perkins, and Pagliuca (1994) also emphasize the function of modal verbs in enforcing norms and behaviors that parties are contractually bound to uphold. Through this lens, Jegede (2018b) observes that modality can be seen as a tool to establish not only expectations but also trust, as parties are assured of the enforceability of terms.

Moreover, in institutional contexts, modality is often employed to maintain a balance between authority and flexibility. While "shall" establishes non-negotiable requirements, other modals such as "may" and "should" allow for a degree of discretionary power. For example, "may" often indicates permission rather than obligation, as in "The borrower may request an extension," signaling that the institution grants, but does not mandate, the action. This flexibility is essential in institutional discourse, as it allows entities like banks or government agencies to adapt policies in response to situational changes while preserving their authority. Saeed (2003) elaborates on this adaptability in his study of semantics, observing that modality allows institutions to provide conditions under which actions are encouraged or permitted without requiring compliance. The selective use of modals thus enables legal and institutional documents to define the scope of permissible actions while preserving the core obligations and prohibitions.

In addition to creating binding obligations and permissions, modality in legal and institutional discourse also serves to manage expectations. Employing modals like "must" and "should" in legal language delineates expectations regarding conduct, indicating whether actions are mandatory or merely recommended. For example, "should" is often used to suggest best practices, which, although not legally binding, establish standards of conduct. This distinction between mandatory and recommended actions is crucial, as it allows legal documents to cover not only binding rules but also guidelines that encourage certain behaviors. Calbert (1975) explores this in his analysis of modality, explaining how different modal verbs are strategically applied to regulate behaviors in formal discourse. While "must" indicates a strict requirement, "should" serves to influence without being legally binding, allowing institutions to guide behavior in a way that aligns with best practices and ethical standards. This layered use of modality helps organizations communicate expectations effectively, distinguishing between enforceable rules and suggested guidelines.

Additionally, modality in legal discourse contributes to precision, a quality necessary for avoiding misinterpretation and potential disputes. The use of specific modals that convey clear distinctions in authority and responsibility helps legal documents remain clear and minimize the risk of contractual ambiguity. This clarity is fundamental in legal settings, where misinterpretation of obligations can lead to litigation or loss. According to Palmer (2001), the precise application of modality is crucial in ensuring that legal language remains objective and consistent, minimizing the risk of varying interpretations that could undermine contractual integrity. Demarcating obligations, permissions, and expectations with modal verbs allows legal and institutional discourse to achieve a level of precision that aligns with its regulatory purpose.

The role of modality in legal and institutional discourse also extends to establishing a power dynamic between contracting parties, particularly through the choice of modals like "shall" and "must." In cases where one party, such as a lender or governing body, holds authority over another, modality reinforces this power imbalance by emphasizing the obligations imposed on the subordinate party. Bybee et al. (1994) reveal this function, explaining how modality can codify power structures within contracts, making certain parties subject to specific obligations while preserving the decision-making power of others. In this way, modality not only enforces legal obligations but also reinforces hierarchical relationships within institutional agreements. This dynamic is particularly evident in financial agreements, where institutions use "shall" to impose strict terms on borrowers, ensuring compliance with lending criteria while preserving institutional control over the contractual terms.

In summary, modality is an essential feature of legal and institutional discourse, serving functions that range from establishing clear obligations to creating flexibility within agreements. The strategic use of modal verbs such as "shall" ensures that legal language remains precise, enforceable, and adaptable to contextual requirements. Through modality, legal discourse achieves a balance between rigidity and flexibility, supporting the enforcement of binding terms while accommodating the needs of complex institutional relationships. Furthermore, modality serves to reinforce power dynamics and manage expectations, allowing legal documents to communicate authority while guiding conduct. This functional versatility makes modality indispensable in legal and institutional contexts, where clarity, authority, and enforceability are paramount. The subtle application of modals emphasizes the importance of modality in shaping the regulatory nature of legal and institutional language.

Theoretical framework

Systemic functional linguistics

The Systemic Functional Linguistics (SFL) framework, developed by M.A.K. Halliday, is a linguistic model focused on how language functions within social contexts. Unlike structuralist or generative approaches that concentrate on the internal structure of language, SFL emphasizes language as a social semiotic system, designed primarily for meaning-making within a given culture. Halliday posits that language's fundamental purpose is to enable interaction, where people use it not just to represent the world but to influence, relate to others, and express identities (Halliday, 2004, p. xi). Interpreting language as a tool for social action, SFL offers a perspective through which linguistic choices can be analyzed as responses to specific communicative contexts (Jegede, 2020a, 2020b).

One of the key principles in SFL is that language operates on multiple levels, which Halliday describes as "strata." These include the lexicogrammatical, semantic, and contextual strata, each interacting with one another in constructing meaning (Halliday, 2003c). Lexicogrammar refers to the choices of words and structures, semantics to the meaning these choices carry, and context to the social environment influencing these choices (Jegede 2018a). For instance, in formal legal discourse, modality choices like "shall" are lexicogrammatically marked to convey obligation and authority within the semantic field, while the institutional context enforces these choices to ensure clarity and compliance. Therefore, SFL is well-suited for examining language use within specific fields, particularly where language needs to adhere to specific norms or fulfill particular functions, such as in legal, contractual, or institutional discourse.

The SFL framework categorizes language into three metafunctions: the ideational, interpersonal, and textual. These metafunctions serve as the pillars of Halliday's architecture of human language, addressing different aspects of how language operates (Halliday, 2003a). The ideational metafunction relates to how language represents external reality or internal thoughts, which is particularly applicable to legal discourse that needs to outline facts, events, and duties precisely. The interpersonal metafunction captures the relational aspect of language, revealing how speakers negotiate, influence, or relate to others. This is vital in legal documents, where the language constructs authority and regulates obligations. Finally, the textual metafunction organizes language cohesively, making it comprehensible and suitable for the context. This diverse approach enables a subtle analysis of how language choices reflect specific purposes within institutional discourse.

In the context of legal and institutional discourse, SFL's focus on contextually driven language choices is highly relevant. Halliday (2003b) describes language as a system that offers a "meaning potential," where speakers and writers select from various linguistic options depending on the situation (p. 209). For legal and institutional discourse, modality becomes a strategic tool to shape relationships and establish clear terms of engagement. Modals like "shall," "must," and "may" are systematically chosen based on the specific function they serve within this context. SFL provides a framework to analyze these choices by revealing the relationship between language and its social function. It allows researchers to explore how the language in legal texts is tailored to fit regulatory purposes, establishing obligations and authority while reducing ambiguity.

Moreover, SFL's functional approach to language reveals how modal verbs are not merely grammatical structures but are instrumental in performing speech acts within legal discourse. For example, a contract that states, "The tenant shall pay rent on the first of each month," is not merely reporting a duty but is enacting a binding condition. The use of "shall" here exemplifies what SFL terms as the interpersonal function, where language choices actively shape the interaction and impose legal obligations. Halliday (2003a) emphasizes that such uses of modality in language reflect the broader social purpose of communication, bridging the textual choices to social actions. Examining modality through SFL allows for an analysis of how these choices serve not only syntactic functions but also reinforce authority, responsibilities, and the regulatory framework of legal language.

Additionally, SFL's textual metafunction is crucial in understanding the structural organization and flow of legal and institutional discourse. In SFL, the textual function ensures that language coheres logically, allowing readers to follow the information without ambiguity (Halliday, 2003c). In legal documents, the arrangement and repetition of modals help reinforce key concepts, guiding the reader through complex terms and clauses with clarity. For example, the consistent use of "shall" or "must" throughout a contract helps standardize expectations, creating a cohesive understanding of obligations. This textual arrangement is not random but serves to orient the reader within the rigidly defined boundaries of legal or institutional authority. SFL's focus on the textual organization thus provides an analytical approach to understanding how linguistic choices contribute to the clarity and cohesion of institutional texts.

Thus, as noted by Jegede (2022), SFL's emphasis on language as a social semiotic system offers a powerful framework for analyzing the linguistic choices, especially in legal and institutional discourse. Focusing on metafunctions, strata, and context enables researchers using SFL to explore not only the formal characteristics of legal language but also how these characteristics serve specific regulatory and authoritative functions. The functional roles of modality in legal discourse, particularly the use of "shall," demonstrate how language is tailored to meet the communicative demands of institutional contexts. Through SFL, the study of modality in legal discourse goes beyond syntax, engaging with how linguistic choices enact, regulate, and reinforce social norms and obligations. This theoretical framework thus offers an in-depth understanding of the instrumental role of language in shaping formal discourse.

METHOD

The study adopted a descriptive research design to explore how the modal verb "shall" is used to express flexibility and constraint in Access Bank's loan agreements. Data for the study consisted of specific excerpts from Access Bank's "Lending Against Turnover Loan Terms and Conditions." The sample included twelve excerpts where the modal "shall" appeared in various clauses. A purposive sampling technique was employed, as only excerpts that contained "shall" in contexts relevant to expressing obligation or conditional terms were selected. The selection criteria ensured that each excerpt demonstrated "shall" in a context that clarified either a rigid or flexible requirement imposed on the borrower. Data collection involved systematically reviewing Access Bank's loan agreement documents to identify and extract the relevant clauses featuring "shall." For analysis, a qualitative approach was used to interpret the function of "shall" within each clause, examining its role in indicating either a mandatory obligation or a conditional flexibility. Each excerpt was analyzed in terms of linguistic function, with particular focus on how the modal's usage aligned with the bank's operational goals in managing borrower expectations and enforcing loan terms. This procedure allowed for a thorough exploration of "shall" within a real-world financial context, contributing to a deeper understanding of modality in legal and financial language.

FINDINGS AND DISCUSSION

To analyze the use of the modal verb "shall" in Access Bank's Lending Against Turnover Loan Terms and Conditions, we will categorize the instances of "shall" into two groups: those expressing flexibility and those expressing constraint. "Shall" is typically associated with obligation or strong intention, and its usage often creates a legal obligation in formal documents, such as loan agreements. However, in certain contexts, it can also imply flexibility, especially in terms of allowing changes or modifications under specific circumstances. Here, we will examine 11 excerpts from the document and explain how "shall" is used to either provide flexibility or impose constraints.

Expressing flexibility

These excerpts demonstrate how the use of "shall" allows for adjustments, options, or conditions that provide flexibility to either party involved in the loan agreement.

Excerpt 1
"The interest rate for the facility is 13.99% monthly on the reducing principal balance, which **shall** be subject to review from time-to-time in line with the prevailing money market condition."

In the excerpt above, the modal verb "shall" introduces an element of flexibility concerning the interest rate review process. Specifically, "shall" here signifies that while the interest rate is currently set at 13.99% monthly, it is not rigid or permanently fixed. Instead, the term implies that the rate is open to adjustment based on changes in the prevailing money market conditions. The use of "shall" in the statement communicates a formal yet flexible approach to the terms of the agreement. This choice of language serves to protect both the lender and the borrower, ensuring that the interest rate can respond to fluctuations in the financial environment, whether favorable or unfavorable. The use of "shall" not only emphasizes an obligation to review the rate but also indicates that such reviews are mandatory whenever market conditions warrant them. This inherently provides room for variability, ensuring the agreement can be modified as necessary to reflect the dynamic nature of the market.

Excerpt 2
"Any change in pricing of the facility notified by the Lender to the Borrower **shall** be binding on the Borrower."

In the excerpt above, the modal verb "shall" introduces a sense of obligation and inevitability, while also allowing for flexibility in how the pricing of the facility can be adjusted. The phrase "shall be binding on the Borrower" makes it clear that any change in pricing, once communicated by the lender, must be accepted by the borrower. However, the flexibility lies in the fact that the pricing is subject to change, which is dependent on the lender's discretion. The agreement ensures that the borrower is legally bound to adhere to any future adjustments in the facility's pricing, even though such changes are not currently specified, through the use of "shall." This allows the lender to respond to economic shifts or internal factors affecting the cost of the facility. Thus, while the borrower's obligation is fixed, the facility's terms remain flexible, granting the lender the authority to modify pricing as needed and ensuring the agreement stays aligned with future financial realities.

Excerpt 3
"The renewal of the facility **shall** be subject to a fresh contract and based on satisfactory performance."

In the excerpt above, the modal verb "shall" is used to express flexibility while establishing a conditional obligation for the renewal of the facility. The phrase "shall be subject to a fresh contract" indicates that the facility's renewal is not automatic; instead, it is contingent on the creation of a new agreement. This introduces flexibility into the contract because the terms of the renewal can be renegotiated based on new conditions or mutual understanding at the time of renewal. Furthermore, the requirement of "satisfactory performance" adds another layer of flexibility, as it places the outcome in the hands of the borrower's compliance and behavior during the initial contract period. This conditional use of "shall" ensures that while renewal is possible, it is neither guaranteed nor fixed, allowing for adjustments based on both parties' future circumstances and the borrower's performance. Therefore, "shall" in this context ensures flexibility by making the future state of the contract dependent on new terms and evaluations.

Excerpt 4
"Loans are usually disbursed instantly, however in some cases, delays are caused by third parties outside the control of Access Bank. Such delays are generally resolved within 24 hours and we **shall** keep you informed as to when your loan will disburse.”

In the excerpt above, the modal verb "shall" is employed to express a flexible obligation on the part of Access Bank. The statement "we shall keep you informed as to when your loan will disburse" reflects the bank's commitment to keeping the borrower updated, while not specifying a precise or rigid timeframe for delivering that information. This use of "shall" reflects flexibility because it leaves room for varying circumstances that may influence when the updates will occur, depending on the resolution of delays caused by third parties. The commitment to inform the borrower acknowledges potential uncertainties and ensures that, despite possible delays, communication will remain open and responsive. Thus, "shall" serves to convey both the obligation to keep the borrower informed and the inherent flexibility of timing due to external factors beyond the bank's control.

Excerpt 5
"This facility **shall** be available for utilization only upon satisfactory compliance with the conditions precedent to drawdown as may be prescribed by Access Bank.”

In the excerpt above, the modal verb "shall" is used to indicate a conditional yet flexible commitment regarding the availability of the facility. The phrase "this facility shall be available for utilization only upon satisfactory compliance with the conditions precedent to drawdown" outlines a requirement that the borrower must fulfill before accessing the facility, as specified by Access Bank. The use of "shall" implies a definite obligation on the part of the bank, but the flexibility lies in the phrase "satisfactory compliance" and the unspecified "conditions precedent." These terms suggest that the conditions may vary depending on the specific situation, and Access Bank holds the authority to assess compliance. Thus, while "shall" conveys a clear obligation to provide the facility once the conditions are fulfilled, the flexibility is embedded in how and when the conditions are determined, leaving room for interpretation or adjustments by the bank. This ensures that the borrower understands the facility is contingent on adaptable criteria that must be met first.

Expressing constraint

Excerpt 6
"This facility **shall** commence upon drawdown or on the date of disbursement notwithstanding the date on the offer or date of execution."

In the excerpt above, the modal verb "shall" serves to establish a fixed and non-negotiable commencement of the loan, reinforcing a binding constraint. "Shall" is applied to express an obligatory start of the facility, either at the moment of drawdown or on the date of disbursement, irrespective of any other dates related to the offer or agreement execution. This construction limits flexibility, signaling that the terms are definitive and that both the lender and borrower must adhere strictly to the specified timeline. The choice of "shall" functions to eliminate ambiguity about when the loan obligations come into effect, mandating that the activation of the loan does not rely on external factors, such as the timing of the agreement's signing. Through this obligatory language, the lender clarifies that once funds are drawn or disbursed, the loan terms become immediately operational, establishing a clear, enforceable point of reference for compliance.

Excerpt 7

"All outstanding amounts under this loan **shall** upon default attract a 1% flat monthly charge on the outstanding principal and interest balance."

In excerpt 7 above, the modal verb "shall" is strategically used to impose a strict constraint on the borrower in cases of payment default. The statement that all outstanding loan amounts "shall upon default attract a 1% flat monthly charge" establishes a mandatory penalty that is triggered automatically, leaving no room for discretion or negotiation. This usage of "shall" reinforces the inflexibility of the penalty, making it clear that a default triggers a non-negotiable consequence affecting both the principal and interest balances. Such precise language emphasizes the binding nature of the penalty, leaving no ambiguity or possibility for the borrower to avoid the charge once a default occurs. This explicit structure ensures the borrower understands the financial ramifications tied to any failure in meeting payment obligations, as the 1% charge is fixed and applies monthly, reinforcing a consistent punitive measure that is not subject to alteration or adjustment. Clearly articulating this consequence, the agreement employs "shall" to enforce a specified deterrent, emphasizing the necessity of adhering to the loan's terms with strict accountability.

Excerpt 8

"By signing this offer letter/loan agreement and by drawing on the loan, the Borrower covenants to repay the facility as and when due. In the event that the Borrower fails to repay the facility as agreed, and the loan becomes delinquent, the Bank **shall** have the right to report the delinquent loan to the CBN through the Credit Risk Management System (CRMS)."

In excerpt 8 above, the modal verb "shall" enforces a stringent constraint on the borrower, binding Access Bank’s right to report any loan delinquency to the Central Bank of Nigeria (CBN) through the Credit Risk Management System (CRMS). This usage of "shall" establishes an obligatory action on the bank's part, should the borrower fail to adhere to the repayment terms. The phrase emphasizes a significant consequence of default, making it clear that delinquency not only affects the borrower’s relationship with the bank but also has wider financial implications that extend to national regulatory bodies. Through this definitive language, the borrower is warned of the potential for adverse credit exposure that could impact their overall credit standing. Access Bank’s entitlement to report non-compliance, as structured by "shall," is presented as an automatic measure, reinforcing the clause's binding and irreversible nature. This legal obligation deters any flexibility regarding delayed payments, as it activates the moment the loan becomes delinquent, revealing that compliance is non-negotiable and bound by a broader financial accountability system. Thus, "shall" serves as an unyielding reminder of the borrower’s commitment to repayment, adding gravity to the contractual obligation.

Excerpt 9

"The facility **shall** be secured with the following: Credit life insurance covering the risk of death/disability, and retrenchment of the Borrower."

In excerpt 9 above, the modal verb "shall" is employed to impose a firm requirement for securing the loan, emphasizing a constraint that leaves no room for negotiation. The clause mandates that the loan "shall be secured with" specific types of insurance, namely credit life insurance to cover risks such as death, disability, and retrenchment of the borrower. This stipulation acts as a protective measure for the lender, ensuring that, should any adverse event affect the borrower's ability to repay, the lender has a predetermined form of security to mitigate potential financial losses. The use of "shall" establishes a clear and obligatory condition that the borrower must meet to access the loan, indicating that obtaining this insurance coverage is an essential, non-optional requirement. This language emphasizes the bank's insistence on risk management, holding the borrower to a standard that prioritizes the lender's security interests. The non-negotiable nature of this clause emphasizes the lender's control over the terms, solidifying a commitment that safeguards the loan's repayment under unforeseen circumstances. Consequently, "shall" here functions as an authoritative directive that ensures the borrower's compliance with the agreed-upon security measures for the loan.

Excerpt 10
"Notwithstanding anything herein before contained, the facility or balance thereof and other monies herein covenanted to be paid whether by way of interest or otherwise **shall** become immediately due and payable on the demand being made in respect of such on the occurrence of any of the following events:..."

In excerpt 10 above, the modal verb "shall" is used to establish a rigid constraint on the borrower regarding the repayment of the loan. This term specifies that upon the occurrence of particular default events, all outstanding balances, including interest or other associated charges, "shall become immediately due and payable." This language enforces an immediate repayment obligation, allowing the lender to demand full payment without delay once any of the defined default conditions occur. Such use of "shall" emphasizes a non-negotiable clause, reflecting the bank's authority to accelerate the loan's repayment when certain criteria are breached. This constraint ensures that the borrower understands the gravity of these conditions, as triggering any of them will invoke immediate financial consequences. "Shall" in this context functions as a binding directive, eliminating flexibility and securing the bank's ability to recover the full loan amount promptly if the borrower fails to comply with the stipulated terms. This form of constraint is designed to protect the lender's interests, making clear that loan continuation depends strictly on adherence to the agreement. Thus, "shall" solidifies the enforceability of this provision, positioning it as a decisive element in the contractual terms.

Excerpt 11
"The Borrower **shall** reimburse Access Bank for all reasonable out of pocket expenses, costs, and charges incurred by Access Bank in connection with the preparation, execution, administration and enforcement of the terms of this offer."

In excerpt 11 above, the modal verb "shall" serves to enforce a clear and obligatory constraint on the borrower, mandating their responsibility to cover all reasonable out-of-pocket expenses, costs, and charges that Access Bank incurs in relation to the loan agreement. This usage of "shall" conveys a binding commitment that is not open to interpretation or adjustment, holding the borrower accountable for specific financial obligations beyond the loan repayment itself. Stipulating that the borrower "shall reimburse" the bank for expenses related to the preparation, execution, administration, and enforcement of the loan terms eliminates any flexibility regarding the allocation of these costs, ensuring that the borrower comprehends and accepts these additional liabilities from the outset. This clause emphasizes the bank's intent to safeguard itself from incidental costs that arise throughout the lifecycle of the loan, shifting these financial responsibilities directly onto the borrower. "Shall" in this context functions as an unequivocal directive, asserting the bank's right to recover any supplementary expenses, which serves to reinforce the borrower's obligations under the agreement. Consequently, this use of "shall" establishes a firm constraint that protects the lender’s interests, clarifying that all necessary legal and administrative expenses will fall under the borrower’s responsibility.

Discussion of findings

The analysis of Access Bank’s Lending Against Turnover Loan Terms and Conditions reveals a strategic use of language—specifically the modal verb “shall”—to negotiate between enforcing rigid borrower obligations and maintaining flexibility. SFL, which views language as a system of choices aimed at fulfilling social purposes (Jegede & Omotayo, 2024; Bhatia, 2004), allows a subtle examination of how “shall” operates within the contractual language to align with the bank’s goal of balancing legal compliance with adaptability. The choice of “shall” by Access Bank establishes a dual layer of meaning, serving both to create clear, enforceable terms and to provide the flexibility needed to adapt to changing financial conditions. This dual-purpose application supports the creation of a responsive financial framework, wherein the contractual language is both precise and adaptable, reflecting the bank's commitment to maintain clarity and mitigate risk.

In clauses expressing flexibility, the modal “shall” empowers Access Bank to accommodate shifting economic conditions by creating an obligatory but adaptable framework. For instance, in the terms regarding interest rate adjustments, “shall” does not imply a fixed rate but rather enforces a periodic review that aligns rates with market trends, thereby achieving both legal bindingness and contextual sensitivity. This adaptive use of “shall” aligns with findings by Kjær (2007), who observed that in financial documents, “shall” frequently signifies obligations that remain open to contextual modification. Employing this choice within the SFL framework allows Access Bank to maintain profitability in the face of economic variability, effectively positioning the contract's language as a dynamic interface between legal obligation and financial pragmatism.

Conversely, “shall” is strategically employed to impose constraints that safeguard the bank’s interests. For example, in clauses regarding borrower obligations for reimbursement or pricing changes, “shall” functions to establish binding requirements, enforcing specific, non-negotiable borrower responsibilities. Here, “shall” operates as a marker of legal necessity, aligning with Tiersma’s (1999) assertion that “shall” signifies strict compliance within contractual obligations. This interpretation within the SFL framework reveals Access Bank’s intent to delineate boundaries that ensure security in financial transactions, thus illustrating how linguistic choices within the contract language serve to reinforce the institution’s protective mechanisms.

Moreover, SFL reveals how “shall” is applied to conditionally impose obligations that respond to external factors, thus enhancing the document's adaptability. In clauses regarding facility renewal based on borrower performance, “shall” is employed as a conditional obligation, empowering the bank to assess and adjust terms based on the borrower’s behavior. This conditional use of “shall” enables Access Bank to manage risk proactively, rewarding compliant borrowers while maintaining the right to revoke or adjust terms if circumstances change. This strategic choice aligns with Butler’s (2003) findings in financial agreements, where “shall” is used as a tool for balancing enforceability with contextual responsiveness, thereby achieving the dual purpose of legal bindingness and adaptive risk management.

A distinctive application of “shall” in Access Bank’s terms further reflects its flexibility in accommodating external limitations. In clauses mandating updates on loan disbursement timing, “shall” implies an obligation to inform borrowers while acknowledging delays that may arise due to third-party factors. This pragmatic use of “shall” emphasizes Access Bank’s commitment to transparency without binding itself to rigid timelines, thereby managing expectations and retaining flexibility. Within SFL, this use of language serves as a tool for balancing borrower assurance with practical constraints, reinforcing how contractual language achieves both clear communication and operational adaptability.

Through this SFL perspective, it becomes evident that Access Bank's use of "shall" is more than a marker of obligation; it is a calculated choice that serves both regulatory and adaptive functions. This aligns with Crystal and Davy's (1969) view that "shall" in legal contexts carries dual interpretations, either mandating strict compliance or allowing flexibility based on contextual needs. This study reinforces the role of "shall" as a versatile tool that balances enforceability with adaptability, thus confirming its centrality in crafting responsive, effective loan agreements. As shown by SFL, Access Bank's selection of "shall" as a linguistic resource enables it to communicate complex regulatory and risk management goals through language that is clear yet adaptable to the shifting context of the financial market. This deliberate use of "shall" thus meets the bank's primary objectives of safeguarding financial interests and meeting borrower expectations, while aligning with SFL's view of language as a tool for social and functional purposes.

CONCLUSION

This study reveals the subtle use of the modal verb "shall" in Access Bank's loan agreements to convey both constraint and flexibility, demonstrating its dual function as a tool for enforcing obligations and accommodating variability in financial terms. The findings suggest that "shall" is strategically employed to bind borrowers to specific responsibilities while allowing the bank to adapt terms in response to market conditions or individual borrower performance. This subtle application of "shall" contributes new knowledge to both linguistics and the field of banking and finance, revealing how a single modal verb can serve as a versatile instrument for achieving legal and financial precision. In linguistics, this study deepens our understanding of modal verbs within legal and financial registers, showing how they function to balance authority and adaptability. For banking and finance, the implications are significant: by using language that provides both enforceable and flexible terms, banks can improve customer relations and risk management, creating contracts that are clear yet adaptable. This research, therefore, emphasizes the importance of linguistic choices in financial documentation, emphasizing how language shapes borrower obligations and financial institutions' operational strategies. Future studies could further examine the impact of such modal verbs across other financial documents, potentially extending this understanding to enhance clarity and trust in financial agreements more broadly.

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