

What is a grace period?

With **Salmon Credit**, it's possible to **continuously use credit without ever paying interest** – as long as you **use it only for purchases** and **pay your full balance on time**.

We offer a grace period of up to 62 days on purchases; the exact length varies—between 28 and 62 days—depending on whether you buy at the start or end of the billing cycle.

Simple Explanation

Salmon Credit is a flexible revolving credit line available in the Salmon app. You can use it to:

- Make **purchases** (via QR Ph or your linked plastic and virtual card) – these **qualify for a grace period**.
- Transfer funds to a bank or e-wallet – these are treated as **cash transactions**, and **always accrue interest** starting from the date of the transaction.

If you only make purchases and pay your full statement balance on or before the due date, you won't pay any interest. That's because the grace period protects you from interest charges on purchases.

But if you don't pay in full, interest starts building up from the date of the transaction, not from the due date.

Even if you used a mix of purchases and cash transactions, as long as you pay the full balance, you'll only pay interest on the cash portion – **your purchases remain interest-free**.

Detailed Explanation

Your credit line operates on **monthly billing cycles**. At the end of each cycle, a **statement** will be calculated, including all your transactions and charges.

Your **due date is the same as the end of your billing cycle**. This means your grace period begins when you make a purchase and ends on the next due date – potentially giving you **up to 62 days interest-free** (if you buy something on the first day of the cycle and pay by the due date of the following cycle).

If you **pay your full statement balance by the due date**, you won't pay any interest on purchases made in previous cycle.

But if you don't pay the full statement balance, you'll be charged interest on all transactions, starting from the date they occurred.

Example

Let's say your current billing cycle runs from July 1 to July 31.

Your due dates are **July 31 for the balance incurred in June**, and **August 31 for the balance incurred in July**.

Here's what happens step by step:

- 1 On June 30, your statement shows a ₱1,500 balance – assuming you had made only purchases previously.
- 2 On July 1, you make a **₱3,000** purchase via QR Ph (a **purchase** transaction).
- 3 On July 10, you transfer **₱2,000** to your bank account (a **cash** transaction).
- 4 On July 20, you pay your June balance of ₱1,500 in full.
- 5 On July 31, your statement is generated. It includes:
 - ₱3,000 purchase
 - ₱2,000 cash transaction
 - Interest on the ₱2,000 cash transaction for 21 days (from July 10 to July 31)

👉 Your total statement balance on July 31 is **₱5,000 + accrued interest** on the cash transaction.

If you pay the full July statement balance – that is, **₱5,000 + accrued interest** – on or before August 31:

- **We won't charge you interest on the ₱3,000 purchase** – the grace period applies.
- You **pay interest only on the cash transaction** from July 10 to July 31 (already included in the July 31 statement). You will also be charged interest in your August 31 statement for the unpaid portion of the cash transaction, calculated for the days between August 1 and the date your payment is received.

If you pay less than the full July statement balance, you pay interest on:

- The ₱3,000 purchase from July 1 onward
- The ₱2,000 cash transaction from July 10 onward

Making a grace period payment

Just open "Cash In" and select "Full statement balance".

