

# 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 for **purchases** and pay your **full balance** on time. We offer a grace period of **up to 62 days** (it is not exactly 62 days, the **possible minimum is 28 days**) **on purchases** made through QR Ph or your linked Salmon Card.

## Important note:

Your **first billing cycle is only 7 days long**, so your **first due date comes just about 37 days**. That means your **first grace period is shorter — 37 days**. After this, all billing cycles will be monthly, and your grace period can stretch up to 62 days.

## 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 Salmon 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** — and you also lose the grace period for new purchases in the next cycle unless the balance is fully repaid.

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 a **monthly billing cycle**. 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).



### Important for new users:

Your **first billing cycle is shorter — only about 7 days** from the day you activate your account. That means your **first due date will be just about 37 days away**, and the **maximum grace period on your first purchase is also 37 days**. From the second cycle onward, billing periods return to a standard monthly length.

- If you **pay your full statement balance by the due date**, you won't pay any interest on purchases.
- **Cash transactions** (like transfers to another bank or e-wallet) **never benefit from a grace period** — they **start accruing interest immediately**.
- If your statement has both purchases and cash transactions and you pay the full balance, **you'll only pay interest on the cash portion**.
- But if you **don't pay the full statement balance**, you'll be charged interest on **all transactions**, starting from the date they occurred — and lose your grace period until the balance is fully cleared again.

## 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 + the July 10–31 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 **lose your grace period**.
- 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".

