

**Pricing of FRA nad IRS under OIS discounting**  
**by Martin Rolak**  
**Referee Report**

This thesis describes in a great detail the pricing techniques for the forward rate agreement contract and the interest rate swaps under the overnight index swaps discounting. The author describes the shift in pricing before and after the Lehman crisis in 2007–08, which started to include a credit risk. Before the crisis, the valuation used only the risk free interest rates.

I find this survey of the interest rate products as a solid work for the bachelor thesis and in terms of the presentation, literature survey and language (the thesis is written in good English). The mathematical sophistication corresponds to the problem, the analytical techniques do not need to be that deep in computation of the FRA or IRS prices. One can also include martingale theory and T-forward probability measures to make it more interesting, but this is not necessary at this stage.

In summary, I rank it as an above average bachelor thesis and I recommend it for defense.

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