

$$K_0 = LGD_{os} \times \left[N \left(\frac{N^{-1}(PD_0) + N^{-1}(0.999) \sqrt{\rho_{os}}}{\sqrt{1 - \rho_{os}}} \right) - PD_0 \right] \times \left[\frac{1 + (M - 2.5) \times b}{1 - 1.5 \times b} \right]$$