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The major ratings agencies ratings on our debt securities at December 31, 2020 were as follows:

IBM and IBM Credit LLC Ratings	Standard and Poor's	Moody's Investors Service
Senior long-term debt	A	A2
Commercial paper	A-1	Prime-1

IBM has ample financial flexibility, supported by our strong liquidity position and cash flows, to operate at a single A credit rating. Debt levels have decreased $11.5 billion from our peak levels at June 30, 2019 (immediately preceding the Red Hat acquisition) and we will continue to de-leverage throughout 2021 utilizing our debt maturities schedule.

In July 2017, the UK's Financial Conduct Authority, which regulates the London Interbank Offered Rate (LIBOR), announced that it intends to phase out LIBOR by the end of 2021. Various central bank committees and working groups continue to discuss replacement of benchmark rates, the process for amending existing LIBOR-based contracts, and the potential economic impacts of different alternatives. The Alternative Reference Rates Committee has identified the Secured Overnight Financing Rate (SOFR) as its preferred alternative rate for USD LIBOR. SOFR is a measure of the cost of borrowing cash overnight, collateralized by U.S. Treasury securities, and is based on directly observable U.S. Treasury-backed repurchase transactions. We are continuing to evaluate the potential impact of the replacement of the LIBOR benchmark interest rate, including risk management, internal operational readiness and monitoring the FASB standard-setting process to address financial reporting issues that might arise in connection with transition from LIBOR to a new benchmark rate. However, it is not expected to have a material impact in the consolidated financial results.

We prepare our Consolidated Statement of Cash Flows in accordance with applicable accounting standards for cash flow presentation on page 71 and highlight causes and events underlying sources and uses of cash in that format on pages 43 to 44. For the purpose of running its business, IBM manages, monitors and analyzes cash flows in a different format.

Management uses free cash flow as a measure to evaluate its operating results, plan share repurchase levels, strategic investments and assess its ability and need to incur and service debt. The entire free cash flow amount is not necessarily available for discretionary expenditures. We define free cash flow as net cash from operating activities less the change in Global Financing receivables and net capital expenditures, including the investment in software. A key objective of the Global Financing business is to generate strong returns on equity, and our Global Financing receivables are the basis for that growth. Accordingly, management considers Global Financing receivables as a profit-generating investment, not as working capital that should be minimized for efficiency. Therefore, management includes presentations of both free cash flow and net cash from operating activities that exclude the effect of Global Financing receivables. Free cash flow guidance is derived using an estimate of profit, working capital and operational cash flows. Since we view Global Financing receivables as a profit-generating investment, which we seek to maximize, it is not considered when formulating guidance for free cash flow. As a result, we do not estimate a GAAP Net Cash from Operations expectation metric.

From the perspective of how management views cash flow, in 2020, after investing $3.0 billion in capital investments, primarily to scale our cloud infrastructure, we generated free cash flow of $10.8 billion which was down $1.1 billion compared to 2019. Year to year, there were higher capital expenditures and workforce rebalancing payments from previous actions, offset by improvements in sales cycle working capital and contribution from Red Hat, net of related interest. In 2020, we continued to return value to shareholders including $5.8 billion in dividends.

IBM's Board of Directors considers the dividend payment on a quarterly basis. In the second quarter of 2020, the Board of Directors increased the company's quarterly common stock dividend from $1.62 to $1.63 per share.