

impact to net deferred taxes and retained earnings of \$56 million, resulting in a total net increase to retained earnings of \$580 million. The decrease to net deferred taxes was the result of the company's election to include GILTI in measuring deferred taxes. The revenue guidance did not have a material impact in the company's consolidated financial results. Refer to note C, "Revenue Recognition," for additional information.

Share-Based Payments

Standard/Description—Issuance date: March 2016. This guidance changed the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities and classification in the Consolidated Statement of Cash Flows. Additional guidance was issued in May 2017 and June 2018, which relates to the accounting for modifications of share-based payment awards and accounting for share-based payments issued to non-employees, respectively.

Effective Date and Adoption Considerations—The initial guidance was effective and adopted by the company on January 1, 2017. The company adopted the guidance for modifications in the second quarter of 2017, and guidance for non-employees' payments in the second quarter of 2018.

Effect on Financial Statements or Other Significant Matters—The initial guidance did not have a material impact on the Consolidated Balance Sheet. The company continues to estimate forfeitures in conjunction with measuring stock-based compensation cost. The guidance also requires cash payments on behalf of employees for shares directly withheld for taxes to be presented as financing outflows in the Consolidated Statement of Cash Flows. The guidance for modifications and non-employees' payments had no impact in the consolidated financial results.

NOTE C. REVENUE RECOGNITION

Disaggregation of Revenue

The following tables provide details of revenue by major products/services offerings and by geography.

Revenue by Major Products/Service Offerings

(\$ in millions)

For the year ended December 31:	2019	2018
Cognitive Applications	\$ 5,765	\$ 5,633*
Cloud & Data Platforms	9,499	8,603*
Transaction Processing Platforms	7,936	7,974*
Total Cloud & Cognitive Software	\$23,200	\$22,209*
Consulting	\$ 7,993	\$ 7,705
Application Management	7,646	7,852
Global Process Services	995	1,037*
Total Global Business Services	\$16,634	\$16,595*
Infrastructure & Cloud Services	\$20,736	\$22,185*
Technology Support Services	6,625	6,961
Total Global Technology Services	\$27,361	\$29,146*
Systems Hardware	\$ 5,918	\$ 6,363
Operating Systems Software	1,686	1,671
Total Systems	\$ 7,604	\$ 8,034
Global Financing**	\$ 1,400	\$ 1,590
Other	\$ 948	\$ 2,018*
Total Revenue	\$77,147	\$79,591

* Recast to conform to 2019 presentation.

**Contains lease and loan/working capital financing arrangements which are not subject to the guidance on revenue from contracts with customers.

Revenue by Geography

(\$ in millions)

For the year ended December 31:	2019	2018
Americas	\$36,274	\$36,994
Europe/Middle East/Africa	24,443	25,491
Asia Pacific	16,430	17,106
Total	\$77,147	\$79,591

Remaining Performance Obligations

The remaining performance obligation (RPO) disclosure provides the aggregate amount of the transaction price yet to be recognized as of the end of the reporting period and an explanation as to when the company expects to recognize these amounts in revenue. It is intended to be a statement of overall work under contract that has not yet been performed and does not include contracts in which the customer is not committed, such as certain as-a-Service, governmental, term software license and services offerings. The customer is not considered committed when they are able to terminate for convenience without payment of a substantive penalty. The disclosure includes estimates of variable consideration, except when the variable consideration is a sales-based or usage-based royalty promised in exchange for a license of intellectual property. Additionally, as a practical expedient, the company does not