

Immaterial Items**Investment in Equity Alliances and Equity Alliances Gains/(Losses)**

The investments in equity alliances and the resulting gains and (losses) from these investments that are attributable to the segments did not have a material effect on the financial position or the financial results of the segments.

Segment Assets and Other Items

Cloud & Cognitive Software assets are mainly goodwill, acquired intangible assets and accounts receivable. Global Business Services assets are primarily goodwill and accounts receivable. Global Technology Services assets are primarily goodwill, plant, property and equipment, including the assets associated with the outsourcing business, accounts receivable and acquired intangible assets. Systems assets are primarily goodwill, manufacturing inventory, and plant, property and equipment. Global Financing assets are primarily financing receivables, cash and marketable securities, and fixed assets under operating leases.

To ensure the efficient use of the company's space and equipment, several segments may share leased or owned plant, property and equipment assets. Where assets are shared, landlord ownership of the assets is assigned to one segment and is not allocated to each user segment. This is consistent with the company's management system and is reflected accordingly in the table below. In those cases, there will not be a precise correlation between segment pre-tax income and segment assets.

Depreciation expense and capital expenditures that are reported by each segment also are consistent with the landlord ownership basis of asset assignment.

Global Financing amounts for interest income and interest expense reflect the interest income and interest expense associated with the Global Financing business, including the intercompany financing activities discussed on page 33, as well as the income from investment in cash and marketable securities.

Management System Segment View

(\$ in millions)

For the year ended December 31:	Cloud & Cognitive Software	Global Business Services	Global Technology Services	Systems	Global Financing	Total Segments
2019						
Assets	\$58,453	\$10,039	\$22,436	\$4,590	\$29,568	\$125,087
Depreciation/amortization of intangibles**	1,107	149	2,601	350	186	4,392
Capital expenditures/investments in intangibles	515	48	1,575	305	57	2,501
Interest income	—	—	—	—	1,490	1,490
Interest expense	—	—	—	—	512	512
2018						
Assets	\$28,713*	\$ 8,360*	\$17,624*	\$4,030	\$41,320	\$100,047*
Depreciation/amortization of intangibles**	1,058*	100*	2,359*	315	229	4,063*
Capital expenditures/investments in intangibles	469*	57*	2,569*	241	274	3,610*
Interest income	—	—	—	—	1,647	1,647
Interest expense	—	—	—	—	515	515
2017						
Assets	\$29,650*	\$ 8,647*	\$17,577*	\$3,898	\$41,096	\$100,868*
Depreciation/amortization of intangibles**	1,185*	99*	2,209*	341	267	4,101*
Capital expenditures/investments in intangibles	467*	46*	2,193*	189	364	3,259*
Interest income	—	—	—	—	1,527	1,527
Interest expense	—	—	—	—	381	381

* Recast to conform to 2019 presentation.

**Segment pre-tax income from continuing operations does not include the amortization of intangible assets.