THE SMART INVESTOR

# 5 Singapore Dividend-Paying Blue Chips That Can Weather Uncertainty

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# Overview

Worried about the tariff war unleashed by President Trump? These five dependable Singapore blue-chip stocks can weather the storm while paying out consistent dividends along the way.

*Note: Share prices and dividend yield are as of 25 April 2025.*

# Introduction

The US has made its move — President Donald Trump's latest wave of tariffs has once again placed global trade in the spotlight.

While the impact of these tariffs will take time to play out, one thing is clear: markets are likely to remain volatile as businesses and governments around the world adjust to a new trade landscape.

For Singapore investors, this is not a time for panic — but a time for prudence. Tariffs can potentially drive up costs, affect consumer sentiment, and weigh on economic growth.

But history has shown that resilient, well-managed companies can continue to deliver results even through uncertain times.

This is where Singapore's blue-chip stocks come in.

These companies have strong track records, experienced leadership, and well-diversified businesses.

More importantly, many of them pay out steady dividends — providing a dependable income stream that can help cushion your portfolio from short-term shocks.

In this report, we highlight five Singapore blue-chip stocks that are well-positioned to ride through the turbulence.

Whether it's their defensive business models, growth strategies, or ability to reward shareholders, these five companies offer investors a solid foundation in an unpredictable world.

## DBS Group (SGX: D05)

DBS is a familiar name to many Singaporeans and is the country's largest bank by market capitalisation.

The lender has undergone a 15-year structural transformation that led to a consistent increase in total income and net profit.

Back in 2009, DBS's total income and net profit stood at S$6.6 billion and S$2.1 billion, respectively.

Today, 15 years later, the bank had grown its total income to S$22.3 billion in 2024 while net profit for the year had increased more than fivefold to S$11.4 billion.

These huge increases translate to a compound annual growth rate (CAGR) of 8.5% for total income, while net profit enjoyed a CAGR of nearly 12%.

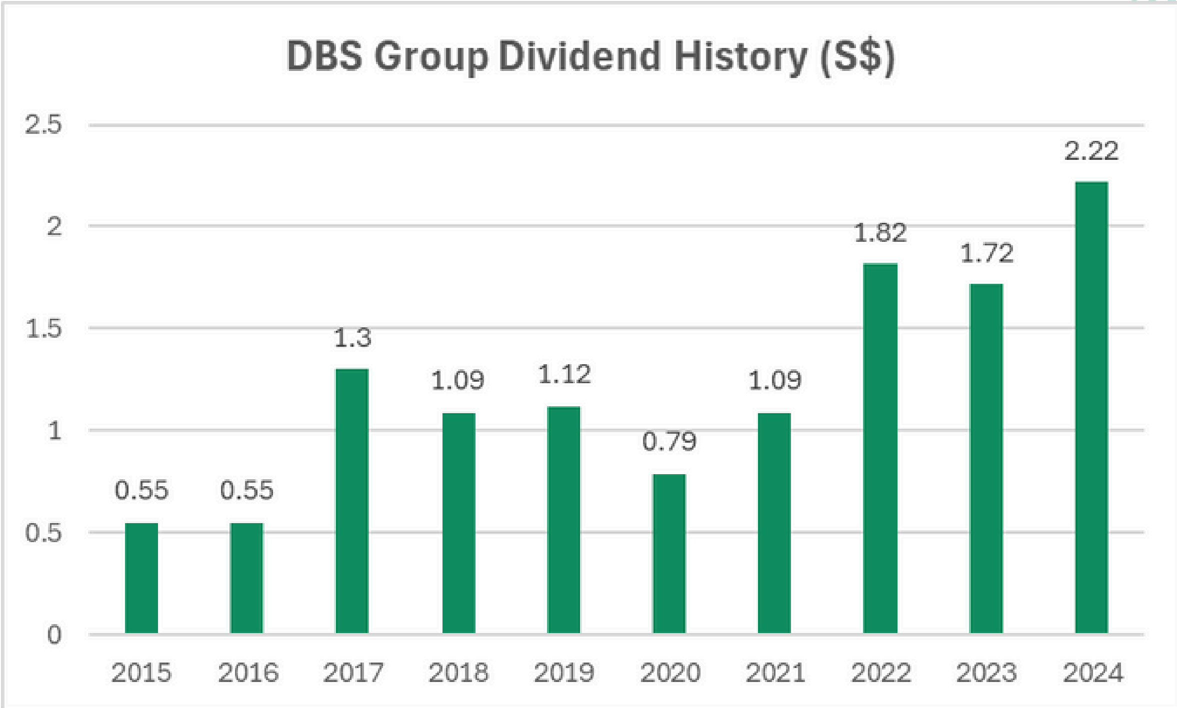
That's just the start.

Along the way, the bank also saw its return on equity (ROE) more than double from 8.4% to 18% during the same period, well ahead of its peer average ROE of 13.7%.

But here's the most important part.

As its business grew, DBS shared the spoils.

Dividends have more than quadrupled in the last decade, as shown in the diagram on the next page.



Source: DBS Group's Annual Reports and Earnings; note that the years 2017 and 2022 each saw a special dividend of S$0.45 declared.

So, what's next?

Looking ahead, DBS will focus on high ROE businesses such as wealth management, global transaction services, and its financial institutions group.

Singapore's largest bank will also seek growth in Asia's key markets of China, India, and Indonesia while optimising its returns from its acquired businesses in Taiwan and India.

Because of its structural transformation, the bank is now better prepared for economic headwinds and can tackle these head on, while maintaining its focus on growing its franchise and maintaining its ROE.

In addition, the lender is also looking at winding down its excess capital over the next three years.

To this end, DBS will introduce a capital return dividend of S$0.15 per share per quarter for 2025, taking its quarterly dividend to S$0.75 per share.

It expects to pay out a similar amount of capital in the subsequent two years (i.e. 2026 and 2027).

As a cherry on top, DBS has established a new S$3 billion share buyback programme last November, where shares will be purchased in the open market and cancelled.

These moves will help to enhance shareholder returns.

To be sure, DBS Group may be impacted by any economic slowdown or reduction in cross-border trade.

But over the long term, its business and geographical diversity should help the bank weather the tariff storm.

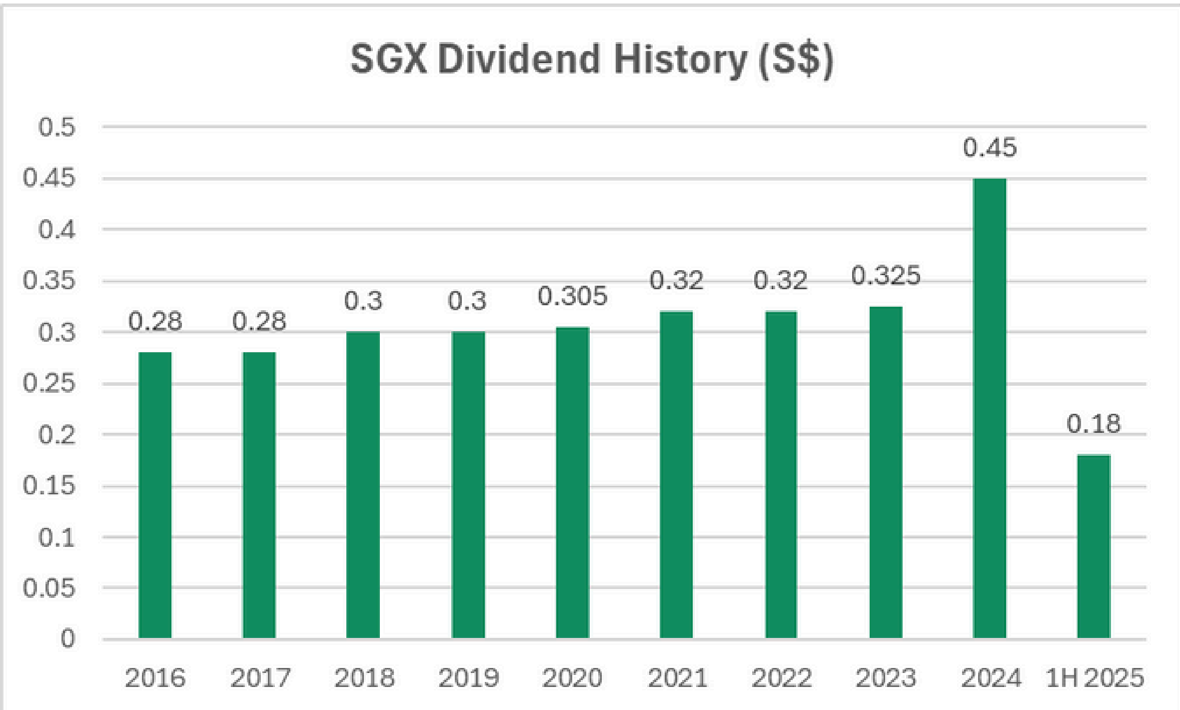
# Singapore Exchange Limited (SGX: S68)

Singapore Exchange Limited, or SGX, is Singapore's sole stock exchange operator.

In essence, the group enjoys a natural monopoly as the only bourse operator in the country.

At the same time, it has not been resting on its laurels and has evolved its business to become a multi-asset exchange.

SGX boasts a solid track record of dividend payments stretching more than 20 years, and its track record of increasing dividends is displayed in the chart below.




Source: SGX's Dividends Page

Note: SGX has a 30 June fiscal year-end.

The bourse operator has been steadily increasing its annual dividend from S$0.28 in fiscal 2016 (FY2016) to S$0.345 by FY2024.

The dividend hikes continued for the first half of fiscal 2025 (1H FY2025) ended 31 December 2024.

The bourse operator upped its quarterly dividend from S$0.085 to S$0.09, taking 1H FY2025's total dividend to S$0.18 and raising its annualised dividend to S$0.36 per share.

These increases are backed by good business results that are attributable to the success of SGX's multi-asset strategy.

Investors have a wide slate of securities to invest in and manage their portfolios.

The group saw higher global demand for its derivatives suite and increased trading across products, with higher activity logged during European and US hours.

What about Trump's tariffs?

Trump's tariffs have unleashed a wave of sharp volatility across major bourses, and SGX's derivatives business stands to benefit from increased hedging activity during periods of volatility.

In addition, SGX has been actively growing its suite of products.

The group just launched its second batch of Hong Kong Singapore Depository Receipts (SDRs) in early March, providing investors with greater access to Hong Kong stocks at much lower investment amounts.

This launch brings the total number of Hong Kong SDRs to eight, and complements the existing eight Thai SDRs that make up more than 40% of the benchmark Stock Exchange of Thailand (SET) index.

That’s not all.

SGX is also planning to launch crypto derivatives in the second half of 2025 to allow investors to trade the direction of cryptocurrency prices.

These new securities should help to further boost trading volumes in the medium term.

What does the above translate to growth?

Management is optimistic about achieving its target to grow group revenue by between 6% to 8% per annum. The company is also targeting a mid-single-digit percentage growth for its dividends per share.

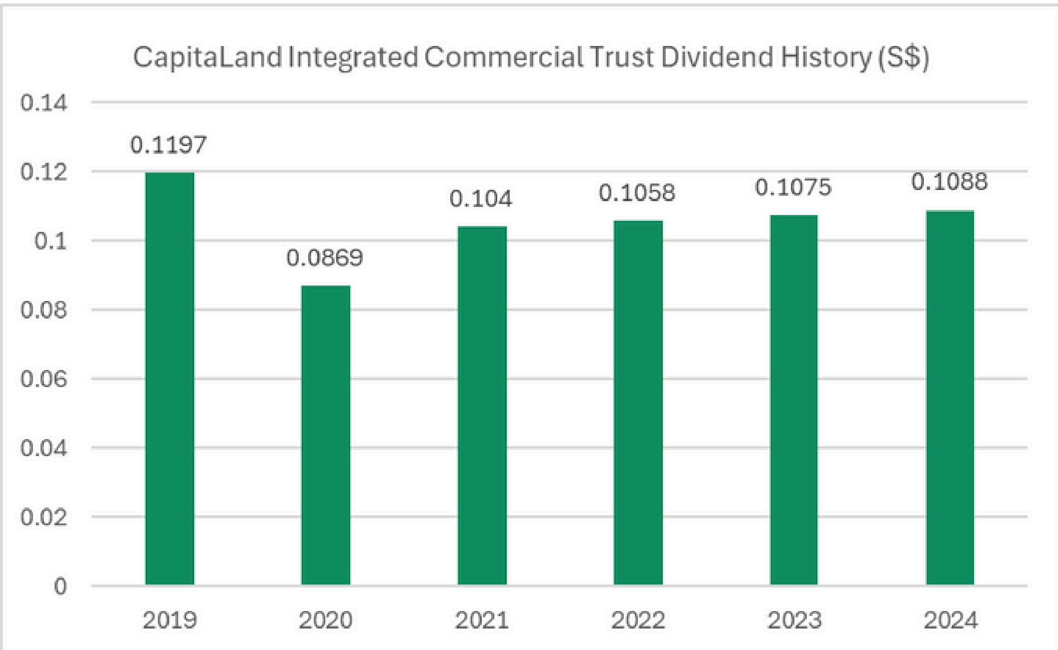
# CapitaLand Integrated Commercial Trust (SGX: C38U)

CapitaLand Integrated Commercial Trust, or CICT, is a retail and commercial REIT with a portfolio of 21 properties in Singapore, two in Germany, and three in Australia.

The REIT's total assets under management (AUM) stood at S$26 billion as of 31 December 2024.

CICT demonstrated remarkable resilience from 2022 to 2024 as interest rates rose at their fastest pace ever, triggered by the US Federal Reserve's desire to bring runaway inflation down to more palatable levels.

The REIT posted year-on-year increases in its distribution per unit (DPU) from 2020 to 2024, as shown in the diagram below.




Source: CICT's Annual Reports

Note: 2020's DPU fell sharply in line with the movement restrictions imposed during the pandemic.

The retail and commercial REIT continued to do well for the first quarter of 2025 (1Q 2025).

The REIT's portfolio occupancy stood high at 96.4% as of 31 March 2025.

The portfolio also enjoyed positive rental reversion of 10.4% for its retail portion and 5.4% for its office portion, attesting to the strength of demand for CICT's properties.

CICT's retail metrics also came out strong, with 1Q 2025 shopper traffic climbing 23% year on year with a 17.5% year-on-year increase in tenant sales.

The retail and commercial REIT will also enjoy a full year's contribution from its acquisition of a 50% stake in ION Orchard and ION Orchard Link in October last year.

Investors can also look forward to progressively higher contributions from the IMM Building's asset enhancement initiative (AEI), of which Phase 3 is scheduled for completion by 3Q 2025.

Furthermore, the AEI of Gallileo in Germany is also near-completion with progressive handover from the second half of 2025, with contributions to rental income being more meaningful in 2026.

Elsewhere, planning for a potential AEI for Tampines Mall is slated to be carried out in 4Q 2025.

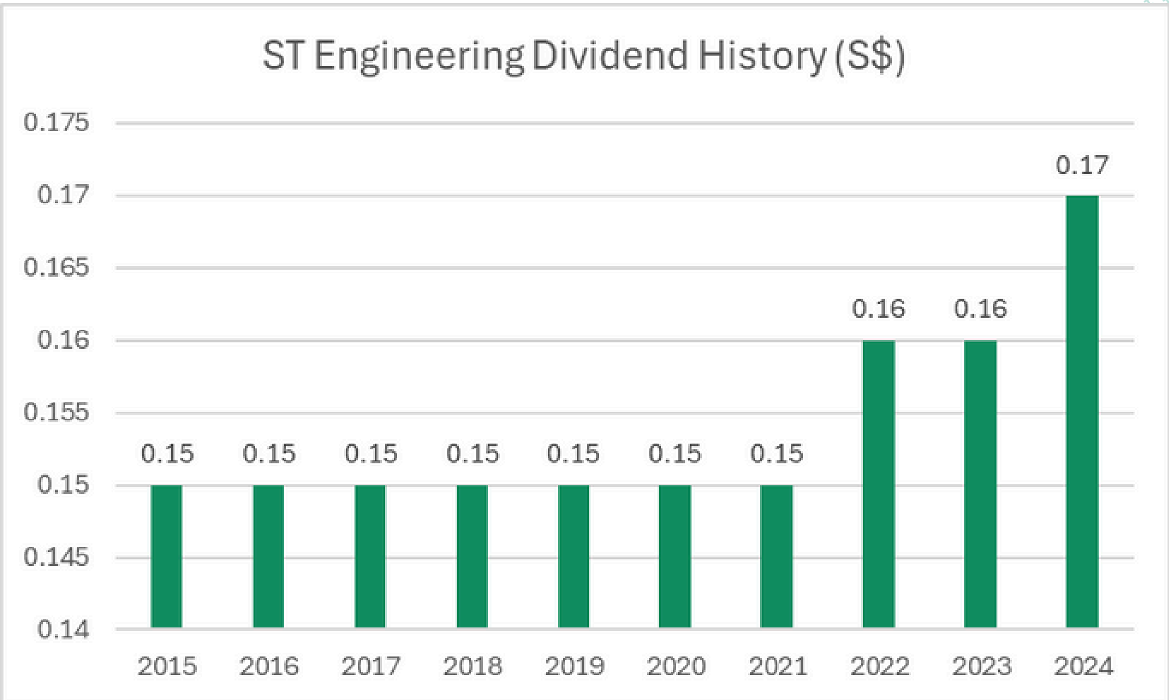
The strong demand for CICT's properties, as evidenced by the REIT's high occupancy rate and positive rental reversions, should ensure that the REIT will continue to do well despite the macroeconomic headwinds.

# ST Engineering (SGX: S63)

Singapore Technologies Engineering, or STE, is an engineering, defence, and technology firm serving customers in more than 100 countries.

The group's customers span the aerospace, smart city, defence, and public security sectors.

STE a consistent dividend payer in the blue-chip space, as demonstrated in the chart below.




Source: ST Engineering's Annual Reports

The engineering group saw its annual dividend rise from S$0.15 to S$0.16 in 2022 and 2023, and recorded a further rise to S$0.17 last year.

STE reported a sparkling set of earnings that justified this dividend increase.

Revenue for 2024 rose 11.6% year on year to S$11.3 billion while net profit climbed nearly 20% year on year to S$702.3 million.

The engineering giant also snagged a total of S$12.6 billion in new contracts last year, lifting its order book to a three-year high of S$28.5 billion at the end of 2024.

This momentum could continue as management laid out a five-year strategic roadmap for the group to grow its revenue and net profit.

By 2029, STE hopes to grow revenue by more than 2.5 times the global GDP growth rate to hit S$17 billion.

Group net profit will grow at a CAGR which is up to five percentage points higher than revenue CAGR.

Furthermore, these targets exclude any mergers and acquisitions or divestments.

Management has also pledged to increase dividend progressively in line with the growth of the business.

For 2025, STE plans to up its annual dividend to S$0.18, comprising three quarters of S$0.04 dividend each and a final dividend of S$0.06.

In addition, should the group achieve higher full-year net profit, it will pay out around one-third of the year-on-year increase in net profit as incremental dividends.

With an optimistic outlook and this strategic roadmap, investors can rest assured that STE can continue to grow its business.

# Frasers Centrepoint Trust (SGX: J69U)

Frasers Centrepoint Trust, or FCT, is a retail REIT with a portfolio of nine suburban malls and an office building.

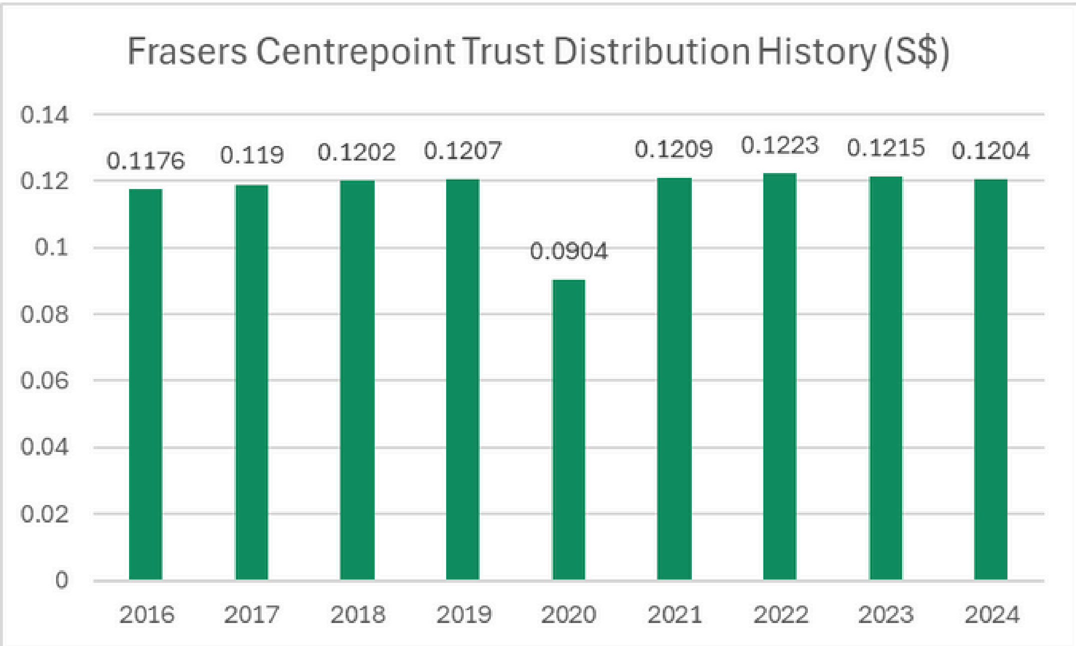
These malls are located in the heartlands and include familiar names such as Causeway Point, Tampines 1, Waterway Point, and NEX.

In total, the retail portfolio has around 2.7 million square feet of net lettable area with an asset value of around S$7.1 billion as of 30 September 2024.

FCT's malls are located within the heartlands and enjoy high levels of footfall as people shop for food, groceries and other necessities.

This attribute also makes them resilient when it comes to tariffs, as these malls provide a range of basic necessities and essential household items that people need to purchase even if prices do increase,

The REIT paid out healthy distributions over the years as can be seen below, with only the pandemic (in fiscal 2020) causing a sharp fall in FCT's DPU.




Source: FCT's Annual Reports

Note: FCT has a 30 September fiscal year end

DPU hovered at around the same level for 2023 and 2024 because of a series of divestments along with higher finance costs.

For example, Changi City Point was divested in October 2023, which led to lower gross revenue and net property income in fiscal 2024 (FY2024).

Despite these moves, the retail portfolio's committed occupancy stood high at 99.5% as of 31 December 2024.

Shopper traffic and tenant sales also rose 2.7% and 2.5% year on year, respectively, for the quarter ended 31 December 2024.

Meanwhile, FCT's manager has undertaken asset enhancement initiatives (AEIs) and acquisitions which look set to boost the REIT's gross revenue.

The Tampines 1 AEI was completed back in August 2024, helping to create around 9,000 square feet of additional net lettable area (NLA).

This AEI delivers a return on investment (ROI) of more than 8%.

For this year, FCT plans to commence a S$51 million AEI for Hougang Mall with a target of achieving a 7% ROI.

Back in March 2025, the retail REIT made a significant S$1.17 billion acquisition of Northpoint City South Wing, which is projected to increase FY2024's DPU by 2%.

# Get Smart: Steady Returns in Uncertain Times

Periods of global uncertainty — like the one we're facing now — are not new to investors. What matters is how we respond.

Rather than reacting to headlines, it's more productive to focus on businesses with enduring strength, clear strategies, and the discipline to deliver returns over time.

The five Singapore blue-chip stocks we've highlighted in this report share these qualities. With resilient operations, experienced management, and a consistent history of dividend payments, they offer a reliable foundation for long-term investors.

At *The Smart Dividend Portfolio*, we take this same approach — curating a selection of 26 Singapore dividend-paying stocks backed by deep research and a long-term mindset.

While market conditions may shift, the principles of sound investing remain constant: stay diversified, stay invested, and stay focused on quality.

Click *here* to read more about our service and how it can support your investing journey.

Disclosure: Royston Yang owns shares of DBS Group and Singapore Exchange Limited.

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