The Role of FinTech Companies in Enhancing Digital Transformation and Financial Inclusion: *A Case Study of BENEFIT with Reference to the Case of Algeria*

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Abstract:

The study's goal is to look at how financial technology (FinTech) companies can help with digital transformation and making sure everyone can access financial services. It will focus on the experience of the Bahraini company BENEFIT and how it might be used in Algeria. Based on a descriptive and analytical approach, it also talks about the rules, technology, and environment that affect how well digital transformation works in the financial sector. The study found that for FinTech to grow, there needs to be a supportive regulatory environment and money spent on digital infrastructure. BENEFIT's experience also showed that going digital can help more people get access to financial services. This shows that Algeria needs to change its policies to take advantage of this experience.

Mots clés:
Technologie financière:
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Le résumé:

L'étude vise à analyser le rôle des entreprises de technologie financière (FinTech) dans le soutien à la transformation numérique et la réalisation de l'inclusion financière, en se focalisant sur l'expérience de la société bahreïnienne BENEFIT, tout en explorant sa potentielle applicabilité en Algérie. Elle met également en lumière les facteurs réglementaires, technologiques et environnementaux qui influencent le succès de la transformation numérique dans le secteur financier, en s'appuyant sur une approche descriptive et analytique. L'étude conclut que l'adoption des FinTech repose sur un environnement réglementaire favorable ainsi que sur des investissements dans les infrastructures numériques. De plus, l'expérience de BENEFIT a démontré que la transformation numérique contribue à accroître l'inclusion financière, soulignant ainsi la nécessité pour l'Algérie d'adapter ses politiques afin de tirer profit de cette expérience.

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1- The introduction:

In the last few decades, digital technology has grown quickly and changed many parts of the economy in big ways. Digital technology is now an important part of making things more efficient and encouraging new ideas. In this situation, fintech companies have become important players in changing the global financial landscape by coming up with new ways to meet the needs of both people and financial institutions. These companies use cutting-edge technologies like artificial intelligence, blockchain, and big data analytics to make financial services better, encourage digital transformation, and make more people able to use them.

Governments and banks see financial inclusion as a key goal because it helps the economy and society grow by giving people from all walks of life access to financial services.

In this regard, the Middle East and North Africa region, which includes Algeria, is working hard to improve its digital financial environment so that more people can access financial services. This is what this study will be about.

Study Problem:

The financial sector is going through big changes because of technology and innovation, and these changes are happening faster and faster. This raises questions about how much fintech companies help with digital transformation and making financial services more accessible to everyone.

Based on the foregoing, the central research question posed is:

How has the Bahraini company BENEFIT contributed to supporting digital transformation and enhancing financial inclusion, and what lessons can be drawn for their possible application in Algeria?

To fully cover all the parts of the problem, the following sub-questions are suggested:

- How can technology be used in the financial sector to help with digital transformation?
- How do the digital technologies that BENEFIT uses help people who don't have access to traditional banking services?
- How can we use what we know about BENEFIT to guess what the future of financial technology will be like in Algeria?

Study hypotheses:

To answer these questions, the following hypotheses are proposed:

- The adoption of financial technology in the financial sector can contribute to accelerating digital transformation by improving operational efficiency, reducing costs, and fostering innovation in financial services.
- It is expected that the adoption of electronic payment systems, digital wallets, and electronic identity solutions by the Bahraini company BENEFIT will enhance access to financial services for individuals excluded from traditional banking, thereby promoting financial inclusion.
- It is expected that adapting the experience of the Bahraini company BENEFIT to the Algerian context will help shape the future of financial technology and strengthen financial inclusion in Algeria.

Study Objectives:

This study looks at the digital technologies that fintech companies use to make financial services better and more efficient. It does this by looking at how financial technology can help with digital transformation and make the financial sector more efficient. It also wants to look at how the technological solutions offered by BENEFIT have helped Bahrain become more financially stable and included, as well as figure out what important lessons can be learned from this experience to help Algeria's financial technology grow in the future.

Study Methodology:

This study adopts a descriptive-analytical approach to examine the role of financial technology (FinTech) in supporting digital transformation and promoting financial inclusion. The methodology is based on a case study of the Bahraini company BENEFIT, through the analysis of its official reports, financial data, and documented initiatives in electronic payment systems, digital wallets, and electronic identity solutions, providing an in-depth understanding of how FinTech tools contribute to expanding access to financial services.

In addition, a comparative foresight approach is employed to explore the applicability of BENEFIT’s experience to the Algerian context, by comparing the regulatory, technological, and infrastructural environments in

both Bahrain and Algeria, while also developing future scenarios for the evolution of financial technology in the Algerian financial sector.

Study Structure:

The structure of this study is organized into several key sections. It begins with the Introduction, which outlines the research problem, objectives, and significance. The second section presents The Conceptual Framework of Digital Transformation in Financial Institutions, highlighting definitions, drivers, and dimensions of digital transformation. The third section discusses Financial Technology, examining its concepts, business models, and technological applications. The fourth section focuses on Financial Inclusion, emphasizing its definitions, strategies, and role in development. The fifth section provides a detailed Case Study of BENEFIT, analyzing its initiatives, performance, and contributions to digital transformation and financial inclusion. Finally, the study ends with a Conclusion, summarizing the main findings and providing recommendations for Algeria.

2. Conceptual Framework of Digital Transformation in Financial Institutions:

2.1 Definition of Digital Transformation in Financial Institutions:

As more and more things are done digitally, the importance of digital transformation and its ability to help companies stay competitive in the market has become clearer. These changes, on the other hand, go beyond the limits of the organization and have effects on the environment and society. As a result, research on digital transformation has gotten more and more attention over the past twenty years. This is because it is seen as an ongoing process in which electronic banking services are used to gain a competitive edge (Sascha, Paul, & Norbert, 2021, p. 01).

Digital transformation is the process of using digital technologies and related trends to change systems and services in a way that makes them better (Eunchan, Minjae, & Yeunwoong , 2022, p. 539). At the level of banks and other financial institutions, it means using digital tools and technologies to make operations better and make new financial services available through digital channels like digital banking and crowdfunding. The goal is to make operations more efficient and promote financial inclusion (Huan , Leven , Xiaobo , & Tak Hung , 20234, p. 04).

Based on the definitions above, digital transformation can be thought of as a process that never ends and depends on the use of digital technologies to make systems and services better. This process gives businesses an edge over their competitors and encourages new ideas in the financial sector. It includes using digital technologies to make operations more efficient, make financial services more widely available, and encourage financial inclusion through new digital channels.

2.2 Drivers of Digital Transformation in the Financial Sector:

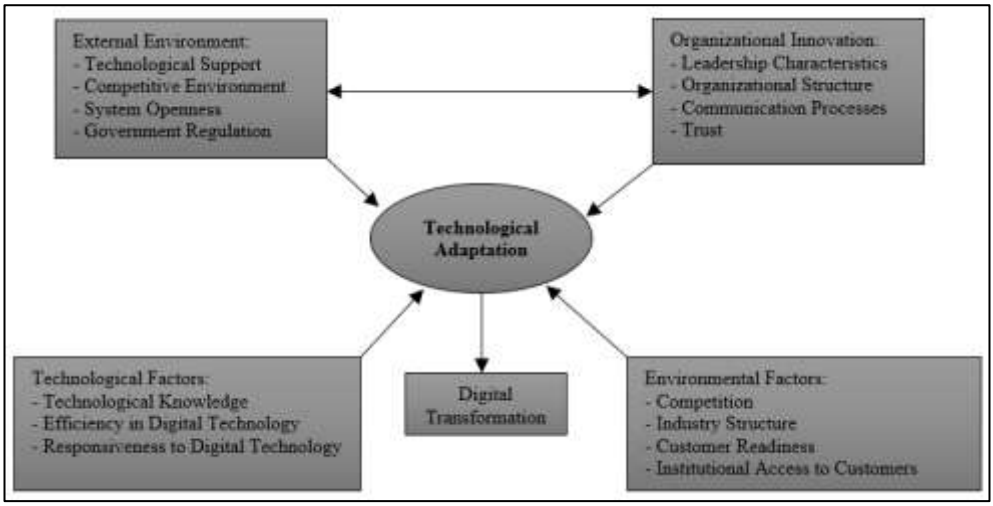
The financial industry has undergone significant digital transformation due to two primary factors (Peter & Vitaly , 2020, p. 375):

- The Global Financial Crisis of 2008: This crisis, which was caused by structural weaknesses, showed that the traditional banking business model had flaws, especially because of "excessive leverage," which put a lot of risk on depositors and taxpayers. Also, the drop in public trust in financial activities led to stricter government oversight of the banking sector and pushed people to look for new ways to provide financial services.
- Quick progress in digital technologies: This change has been made easier by the widespread use of digital technologies in the financial sector. The rise of financial technology (FinTech) companies, which operate in countries with relatively loose rules, has made it necessary to come up with new ideas, grow, and stop future financial crises.

2.3 Technological Adaptation as a Pathway to Digital Transformation in Financial Institutions:

Multiple factors influence the adoption of technology to achieve digital transformation, which can be summarized in the following figure:

Figure No 01, Conceptual Model of Technological Adaptation for Digital Transformation in Financial Institutions



Source: Developed by the researchers based on (Fairooz & Wickramasinghe, 2019, p. 73).

This diagram shows a theoretical model of how the interaction of four key factors that affect how people adapt to technology can lead to digital transformation. These parts are:

- External Task Environment: This includes things like government rules, infrastructure, system openness, and technological support. All of these things are very important in either making it easier or harder for financial institutions to adopt new technologies.
- Technological Factors: These include an institution's knowledge of technology, its ability to use digital technologies, and how well the market responds to new technologies. All of these things have a direct impact on how well an institution can adopt and adapt new technologies.
- Organizational Innovativeness: This includes things like the traits of leaders, how people talk to each other, trust, and how complicated the organizational structure is. All of these things together decide how well the organization can accept and use new technologies.

- Environmental Factors: These include the institution's accessibility to customers, industry structure, customer readiness, and competitiveness, all of which affect how quickly the market adopts new digital technologies.

When these four things work together, they cause technological adaptation, which is an important step before digital transformation. In other words, for financial institutions to be able to make the switch to digital, they need to be able to adapt to changes in the environment, technology, and regulations, as well as respond to market demands and legal requirements.

2.4 Dimensions of Digital Transformation:

Digital transformation can be broken down into a number of areas, two of which are highlighted here. Each of these areas includes a number of different forms and technologies (Gomber & koch, 2017, p. 03).

- This includes all electronic products and services in the financial services field, such as credit cards, electronic chips, electronic exchange systems, home banking services, and automated teller machines (ATMs).
- In the field of digital finance, new companies have come up with ways to combine banking services with mobile technology. There are also platforms that offer microfinance, payment solutions, peer-to-peer lending, and crowdfunding.

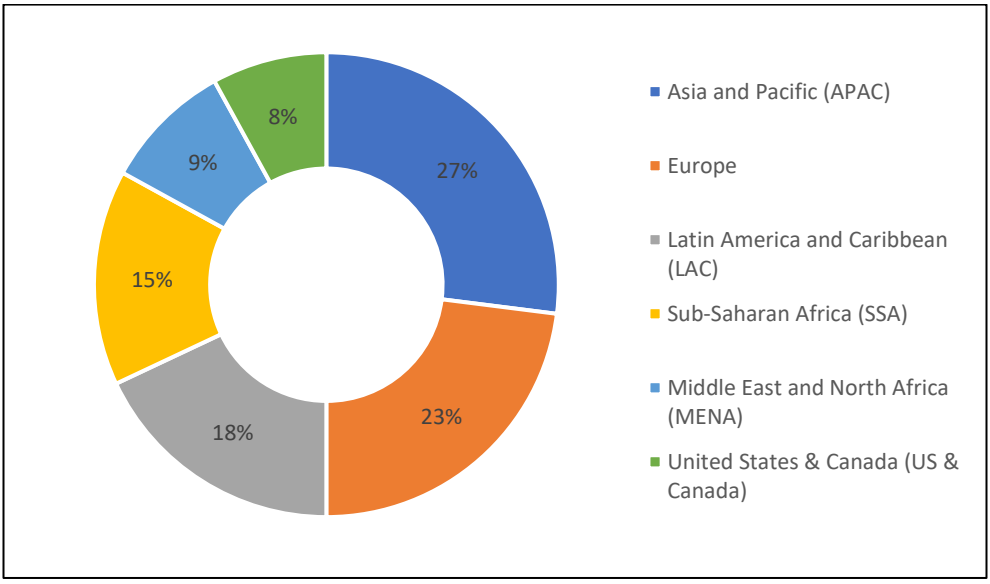
3. Financial Technology (Fintech):

3.1 Definition of Financial Technology:

Financial technology is the use of new technologies to improve and digitize financial services. Fintech companies are the main players in this sector, which has become a major player in the global economy (Shivansh , 2024, p. 01). These businesses first showed up in the US, mostly in Silicon Valley, between 2008 and 2010. Since then, they have grown a lot on the East Coast of Europe and in most of Asia. They are known for using technology to offer new financial solutions (Paolo , 2016, p. 25).

3.2 Global Distribution of Fintech Companies:

Figure No 02, Global Distribution of Fintech Companies



Source: Compiled by the researchers using data from (Drew & Bryan , 2024, p. 06).

The table shows how financial technology companies (Fintechs) are spread out around the world. The Asia-Pacific (APAC) region leads with 27%, showing that it is at the forefront of financial innovation. High population density, rising demand for digital financial services, and government policies that help businesses are all factors that contribute to this prominence. Europe comes in second with 23%, which shows that the regulatory environment is well-developed and there is a lot of support for startups in this field. Latin America and the Caribbean (LAC) are growing quickly at 18% because people there need different financial options that make it easier for everyone to get money. Sub-Saharan Africa (SSA) also makes up 15%, and mobile financial services are a key part of making financial inclusion happen. The Middle East and North Africa (MENA) region only makes up 9% of the total, despite ongoing efforts. This shows that policies need to be put in place to help the sector grow. Eight percent of the total comes from North America

(the United States and Canada). This is a relatively small number because a few big companies control the market, not because there are a lot of new businesses starting up.

3.3 Business Models of Financial Technology Companies:

The business models of financial technology companies are diverse and can be summarized as follows:

Table No 01, Business Models of Financial Technology Companies and Their Proportions

Business Model	Percentage (%)
Digital Payments	30%
Digital Lending	27%
Digital Insurance (Insurtech)	17%
Digital Capital Raising	14%
Digital Banking and Savings	12%

Source: Compiled by the researchers using data from (Drew & Bryan , 2024, p. 07).

The table above shows how different business models are used by financial technology (FinTech) companies. Digital payments make up 30% of the total, making them the most important model. Digital lending is next with 27%, which puts it in second place. This shows how important digital finance is for making credit more accessible. Digital insurance comes in third with 17%, showing how digital solutions are becoming more common in the insurance industry.

On the other hand, models for raising digital capital, banking services, and digital savings make up smaller percentages: 14% and 12%, respectively. This means that people are taking longer to use these services than they are to pay and borrow money. These numbers show what is happening in the FinTech industry right now, where digital markets favor services that make it easier to move money around and make transactions.

3.4 FinTech Technologies:

Here is a list of the financial technologies that can be used to improve the financial sector as a whole (Nonaka & Hayashi, 2017, p. 09).

- Improving financial services with AI: Using AI to look at financial data, find problems, use machine learning to look at loan applications, find fraud, and look at customer feedback.

- Using robotics and AI to improve customer interactions: using technologies like facial and voice recognition to make interactions with customers safer and smoother. Also, using robots in customer service to lower the risks of cyber-attacks.
- Inter-company collaboration through blockchain technology: Using blockchain in the insurance industry to protect financial transactions and make it easier for companies and banks to see what's going on.
- Using high-speed application development to create a "mobile-first" model: Creating financial apps based on Application Programming Interfaces (APIs) to make financial services faster and more flexible.
- Strengthening cybersecurity in banks and other financial institutions by dealing with cyberattacks, finding illegal money laundering, and putting in place plans like cybersecurity training and the creation of information protection solutions.
- Using biometric measures to achieve multi-modal authentication: Creating multi-modal authentication systems that use facial recognition and fingerprint technology to lower the risk of account breaches.
- Using the Internet of Things (IoT) in smart financial solutions: For example, wearable devices that track health and physical activity are used in health insurance and FinTech.

4. Financial Inclusion

4.1 Definition of Financial Inclusion:

Financial inclusion is the process of making sure that everyone in society can easily get the right financial services, that they are available, and that they can use them at a reasonable cost (Cyn-Young & Rogelio V, 2018, p. 02). This shows how important it is for everyone to have access to financial services in order to reduce poverty and promote prosperity and sustainable development (World Bank, 2014, p. 01).

4.2 Financial Inclusion Strategies:

Financial inclusion strategies are based on a broad approach that aims to make it easier for people and businesses to access and use financial services, while also taking into account the challenges that institutions face and the limitations of the resources that are available. (Douglas , 2012, p. 11) says that these strategies can be broken down into six main parts:

- Taking Stock: Data and Diagnostics: This stage is meant to help policymakers, regulators, and other interested parties get a clear picture of how easy it is to access and use financial services right now, as well as the obstacles that are keeping people from being financially included. The main point is how to deal with these problems using the resources and capabilities that are already available in institutions.
- Targets and objectives: Diagnostic data is used to set objectives at the national level. These goals have both quantitative and qualitative indicators that help us see how far we've come. The main goal is to improve financial inclusion while keeping a balance between financial stability and financial inclusion.
- Building or Revising a Strategy: A new strategy or action plan can be made, or an old one can be changed, to spell out the roles and activities of all relevant actors. This will make sure that the goals are met.
- Actions taken by the public sector include rules, policies, and financial infrastructure. Regulatory and supervisory bodies are very important for promoting financial inclusion because they create and enforce a wide range of policies and reforms that encourage activity in the financial sector. This includes making payment systems better, making digital financial services possible, and making sure that financial consumers are safe.
- Actions by the private sector: The private sector's job is to offer cutting-edge financial services that promote financial inclusion and to create ways to deliver services that meet the needs of low-income customers. The private sector also helps set long-term goals to make sure that efforts to include everyone are successful.
- Regularly checking on progress is necessary for financial inclusion. This means not only checking to see if goals are being met, but also checking to see how well reforms are working. This is done using different indicators, like national surveys, which evaluate the strategy and make changes based on the results.

Financial inclusion strategies are very important for keeping the economy and society stable. They give people and businesses more access to financial services in ways that are more inclusive and long-lasting, while also keeping a balance between protecting consumers and keeping the economy stable.

Figure No 02, Financial Inclusion Strategies

Source: Compiled by the researchers using data from (Douglas , 2012, p. 11).

4.3 The Use of Digital Payment in Developing Countries to Achieve Financial Inclusion

Table No 02, Payment Statistics in Developing Economies

Country	Debit/Credit Card Only (%)	Debit/Credit Card + Phone/Internet (%)	Mobile Phone/Internet Only (%)	Did Not Use Any Method (%)
Brazil	12	38	28	22
China	7	52	28	13
Ivory Coast	6	22	33	39
Egypt	4	12	22	62
India	11	32	28	29
Indonesia	14	37	26	23
Kenya	5	58	22	15
Morocco	9	27	28	36
Nigeria	10	33	28	29
Peru	13	32	28	27
Philippines	11	34	28	27
Turkey	14	40	28	18
Uzbekistan	9	32	28	31

Source: Compiled by the researchers using data from (Asli , Leora , Dorothe , & Saniya , 2021, p. 73).

The table shows how much digital payments were used in a number of developing economies in 2021. A large part of the population in countries like Kenya (58%) and China (52%) uses a mix of debit/credit cards and mobile/internet platforms for payments. This shows that digital infrastructure has improved and that financial services are widely available on mobile devices. On the other hand, Egypt (62%) and Côte d'Ivoire (39%) have the highest rates of not using any digital payment methods, which shows that they are having trouble getting everyone to use them. These differences show how different levels of financial digitization are and how well communities are connected to the formal financial system.

5. Case Study: BENEFIT Company:

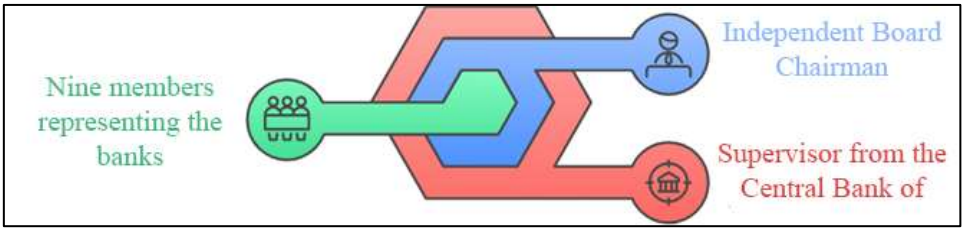
5.1 Introduction to BENEFIT Company:

The Central Bank of Bahrain gave BENEFIT Company the title of "Support Services Provider for the Financial Sector" in 1997. It is a Bahraini financial institution. The company is very important for helping the Kingdom of Bahrain's digital transformation and improving financial inclusion by giving people access to advanced infrastructure for electronic payments and other financial services. Its main jobs are to run the national networks for point-of-sale terminals and ATMs, run the credit information center, make it easier for people to send money, and create the national wallet, "BENEFIT Pay." BENEFIT wants to expand its services to more areas, both regionally and globally. The company places a strong emphasis on constantly coming up with new ideas to meet the changing needs of the financial sector and its customers.

5.2 Institutional Structure of BENEFIT Company:

The way BENEFIT Company is set up shows how important it is to Bahrain's financial services sector. To make sure that the company is run properly, the board of directors is made up of people from banks and regulatory bodies. The first table shows how the board of directors is made up, and the second figure lists the major shareholders and how much of the company they own.

Figure No 03, Members of the Board of Directors of BENEFIT Company



Source: Compiled by the researchers using data from (BENEFIT Company, 2023, p. 02).

The institutional structure of BENEFIT brings together the banking and regulatory sectors. It has a Board of Directors with nine members from the banks, an independent chairman, and a supervisor from the Central Bank of Bahrain. This composition makes governance and transparency stronger.

Table No 03, Shareholder Distribution in BENEFIT

Entity	Percentage (%)
National Bank of Bahrain	34.84%
Bahrain Kuwait Bank	22.00%
Ahli United Bank	14.00%
Standard Chartered Bank	9.00%
HSBC Middle East Limited	7.00%
Bahrain Islamic Bank	4.84%
Al Salam Bank with 3 other banks	8.33%

Source: Compiled by the researchers using data from (BENEFIT Company, 2023, p. 07).

The National Bank of Bahrain owns 34.84% of the shares, followed by the Bahrain Kuwait Bank with 22% and the Ahli United Bank with 14%. This shows how important financial institutions are to supporting digital transformation.

5.3 Financial Performance of the Company in 2023:

Financial indicators demonstrate the efficiency of operations and revenue sustainability, both of which were realized by the company in 2023.

Table No 04, Financial Indicators of BENEFIT

Indicator	Value
Net Profit	1.68 million Bahraini Dinars
Total Equity (as of December 31, 2023)	24.8 million Bahraini Dinars
Total Income	14.5 million Bahraini Dinars

Source: Compiled by the researchers using data from (BENEFIT Company, 2023, p. 07).

BENEFIT made a net profit of 1.68 million Bahraini Dinars in 2023, which shows that its business model works well in the fintech sector. By the end of the year, the company's total equity was 24.8 million Bahraini Dinars, which shows that it is financially stable and able to grow and invest in new ideas. Total income was 14.5 million Bahraini Dinars, which shows that the company has more than one way to make money and that digital financial services are making the company more valuable.

5.4 Financial Inclusion and Digital Transformation:

Digital transformation helps to improve financial inclusion by making transactions easier and expanding the range of banking services. The following BENEFIT indicators show how widely the company's digital solutions have been used in Bahrain:

Table No 05, Financial Inclusion and Digital Transformation Indicators for BENEFIT

Indicator	Value
Number of "BENEFIT Pay" users	1.5 million users
"Know Your Customer" electronic verification operations	743,000 operations
Number of subscribers to digital financial services	3.4 million users
Number of merchants accepting payments via "BENEFIT Pay"	28,000 merchants
Payment transactions through Point of Sale (POS) devices	300 million transactions

Source: Compiled by the researchers using data from (BENEFIT Company, 2023, p. 07).

The financial inclusion and digital expansion indicators for BENEFIT Company show that a lot of people are starting to use digital financial services. With 1.5 million users of the "BENEFIT Pay" app, it's clear that more and more people are relying on digital payments. There was also a big rise in electronic "Know Your Customer" (KYC) operations, which totaled 743,000 transactions. This made it easier for people to get financial services. The number of people using digital financial services grew to 3.4 million, and the number of merchants who accept payments through "BENEFIT Pay" grew to 28,000. This helped digital payments become more popular in many industries. Also, there were 300 million payment transactions made through Point of Sale (POS) devices, which shows that people are moving away from using cash and toward newer payment methods.

5.5 Performance and Efficiency Indicators in Digital Financial Services:

Performance and efficiency metrics in digital financial services show how quickly the financial sector in Bahrain is growing. The following table shows how modern technologies have sped up transactions and led to more electronic transactions:

Table No 06, Performance and Efficiency Indicators for BENEFIT Company's Digital Financial Services

Indicator	Value / Example
Growth of the electronic financial transfer system	68%
Total value of "Fawri" transactions	20.7 billion Bahraini Dinars
Total value of "Fawri Plus" transactions	7.3 billion Bahraini Dinars
Total value of bill transactions	25.4 billion Bahraini Dinars
Volume of financial transfers (non-cash)	1.3 billion Bahraini Dinars
Growth of local financial transfers	16%
Payment transactions using "Tap and Go" technology	8.7 million transactions valued at 204 million Bahraini Dinars

Source: Compiled by the researchers using data from (BENEFIT Company, 2023, p. 07).

The electronic funds transfer system grew by 68%, which shows that people are using digital solutions more and more. The total value of "Fawri" transactions was 20.7 billion Bahraini Dinars, and "Fawri Plus" transactions were worth 7.3 billion Bahraini Dinars. This shows how important they are for making payments right away. Also, bill payments totaled 25.4 billion Bahraini Dinars, which shows that digital financial services are widely used. There were 1.3 billion Bahraini Dinars in non-cash financial transfers, and domestic transfers grew by 16%. Lastly, there were 8.7 million transactions using "Tap and Pay" technology, worth a total of 204 million Bahraini Dinars. This shows that more and more people are using this new way to pay.

5.6 Innovation and Development Indicators at BENEFIT:

Innovating in financial technology is a key part of making things more efficient and making sure everyone has access to money. Financial institutions work hard to use the newest technologies to make services better and make it easier for users to do their financial business. The following table shows how much the BENEFIT Company has helped with this project:

Table No 07, Innovation and Development Indicators for BENEFIT Company

Indicator	Value / Example
Investment in the electronic financial transfer system	1.7 million Bahraini Dinars
Updates to the "BENEFIT Pay" application	Enhanced payment experience; facilitated payment of loans and credit cards
Initiatives by BENEFIT	Integration with (Bene) – the Arab payments platform

Source: Compiled by the researchers using data from (BENEFIT Company, 2023, p. 07).

BENEFIT put 1.7 million Bahraini dinars into making its electronic funds transfer system better, showing that it wants to modernize its digital infrastructure. The "BENEFIT Pay" app has been updated several times to make payments easier and more convenient for people, including loan and credit card payments. The company also started strategic projects like connecting with the Arab Payments Platform (Bani), which helps the payments industry go digital and makes financial integration in the region stronger.

5.7 Company Contributions to Social Responsibility and Sustainable Development

BENEFIT shows that it cares about corporate social responsibility by backing projects that focus on education, empowerment, and long-term growth. In this area, it gave a total of 138,784 Bahraini dinars in 2023. This investment shows that the company is a leader in supporting community development by funding educational programs and projects that help people improve their skills and promote social inclusion.

6. BENEFIT Fintech Institution's Philosophy of Utilization and Foresight for Algeria:

Algeria can learn from Bahrain's BENEFIT by focusing on four key areas: improving its digital infrastructure, its regulatory environment, its fintech innovation, and its financial literacy.

6.1 Developing Digital Financial Infrastructure:

- Improve electronic payment systems by creating a national platform for quick money transfers and setting up an instant electronic funds transfer system like Bahrain's "Fawri" and "Fawri Plus." This system

would make it possible for people and businesses to send money to each other in real time and link all banks, electronic payment companies, and other financial service providers to make digital transactions easier.

- Make it easier for businesses to accept digital payments by requiring big businesses to use electronic payment methods and rely less on cash. Give merchants tax breaks if they use digital payment methods like QR codes, Tap & Pay, and digital wallets.
- Create a single national app that brings together digital payments, bill payments, and money transfers to make it easier for people to use digital financial services. This app should bring together services like CCP, BaridiMob, and bank cards into one platform that lets people make payments right away.

6.2 Regulatory and Legislative Environment Reform:

Updating laws to support financial technology through the following stages:

- Making clear laws for the creation and operation of fintech startups to create a modern regulatory framework for FinTech. Giving electronic payment companies and new digital banks digital operating licenses.
- Making it easier to enforce digital payments in government transactions by making it mandatory for all government agencies to accept electronic payments for taxes, bills, and administrative services (Dealing with problems that make it hard to keep an eye on bank withdrawals that hurt trust).
- Fixing problems with two-factor authentication that make investors and customers less confident.
- Addressing flaws in the legal framework that don't do enough to protect fintech users, making it harder to carry out financial transactions smoothly and safely under clear rules and obligations.

6.3 Support for Startups and Innovation in FinTech:

Promoting entrepreneurship in financial technology through:

- Setting up specialized fintech incubators by building business incubation and acceleration centers to help new businesses with digital payments. Giving fintech entrepreneurs money from the government and low-interest loans.

- Helping electronic Know Your Customer (eKYC) projects by making an electronic customer verification system that makes it easier to open bank accounts and digital wallets from a distance. Connecting this system to the biometric ID database to speed up banking transactions.
- Using AI to analyze transaction data and find financial fraud is one way to bring in artificial intelligence and blockchain technologies.

6.4 Enhancing Financial Literacy and Digital Awareness:

Improving citizens' financial and digital literacy through:

- Using media and social networks to raise awareness about the benefits of moving away from cash transactions through national campaigns.
- Teaching fintech concepts, electronic payments, and digital investment in schools and universities as part of their regular curriculum. Through national competitions, students are encouraged to come up with apps and tech solutions for digital payments.
- Building trust in digital financial systems by making digital payments safer with better electronic security measures. Making sure that banking servers are stable so that technical problems don't happen that could stop financial operations.
- Raising awareness among users about the advantages gained from utilizing fintech tools.

7. Conclusion:

This study examined the role of financial technology (FinTech) in supporting digital transformation and enhancing financial inclusion, with a particular focus on the case of the Bahraini company BENEFIT. The findings confirm that FinTech companies are key enablers of digital transformation, as their ability to adapt to regulatory, technological, and environmental changes is essential for the success of the digital transition in the financial sector. This result supports the first hypothesis, which highlighted the importance of a conducive ecosystem for effective digital adoption.

The analysis further showed that BENEFIT's initiatives—such as Tap & Pay, BENEFIT Pay, Fawri, and Fawri Plus—have contributed significantly to expanding access to financial services and reducing reliance on cash, thereby reinforcing financial inclusion. The steady growth in the number of users, merchants, and electronic transactions provides empirical support for the second hypothesis, which emphasized the role of digital tools in reaching the unbanked and underbanked.

Moreover, BENEFIT's investments in innovation, particularly its allocation of 1.7 million Bahraini dinars to enhance digital payment systems and its integration into the Buna platform, illustrate best practices in financial innovation and regional integration. These experiences offer relevant lessons for Algeria, where adapting such practices could facilitate digital transformation and financial inclusion. However, this transfer requires consideration of Algeria's specific regulatory framework, digital infrastructure, and cultural context. This nuance strengthens the third hypothesis while highlighting the contextual limits of policy transfer.

While the study provides valuable insights, it is not without limitations. The reliance on secondary data from BENEFIT restricts the ability to conduct a broader comparative analysis across multiple FinTech institutions. Furthermore, the foresight analysis remains exploratory and would benefit from empirical testing through surveys or econometric modeling in the Algerian context.

Future research could expand this work by conducting cross-country comparisons of FinTech adoption in the MENA region, assessing the socio-economic impacts of digital payments, and exploring consumer trust and behavioral aspects in adopting digital financial services.

In conclusion, the study underscores the pivotal role of FinTech in accelerating digital transformation and promoting financial inclusion. At the same time, it stresses that the success of applying Bahrain's BENEFIT experience to Algeria depends on tailored regulatory reforms, investments in digital infrastructure, and efforts to raise financial literacy and trust in digital systems.

Study Findings:

The study concluded with several key findings:

- Digital transformation requires an integrated regulatory, technological, and external environment.
- The BENEFIT experience shows that innovation can help with financial inclusion through its uses.
- Supportive systems and the right investments help businesses grow and open up to international markets.
- For Algeria's digital transformation to be successful, the government, private companies, and banks all need to work together.
- Financial literacy is an essential element in adopting digital transformation and realizing financial inclusion.

Study Recommendations:

- Set up a separate group in charge of making sure that the government, private sector, and banks work together to move Algeria's digital transformation and financial inclusion forward.
- Work with global companies that specialize in digital financial solutions to create new systems that meet the needs of the Algerian market.
- Promote the benefits of electronic payments to make transactions easier and encourage growth. This will help Algerians become more financially aware and literate.
- Improve cybersecurity measures to strengthen user trust in digital financial systems.
- Invest in artificial intelligence and blockchain technologies to enhance financial security and build greater confidence among users.

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