# Aggregation Layer

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**Aggregation Layer**, in Decentralized Finance (DeFi), consists of aggregators who connect various applications from the previous layer to provide a service to investors. For example, they might enable the seamless transfer of money between different financial instruments to maximize returns. In a physical setup, such trading actions would entail considerable paperwork and coordination. But a technology-based framework should smoothen the investing rails, allowing traders to switch between different services quickly. Lending and borrowing is an example of a service that exists on the aggregation layer. Banking services and crypto wallets are other examples.[1)]

Source: https://www.investopedia.com/decentralized-finance-defi-5113835

1)

Rakesh Sharma, Investopedia, 24 March 2021, Decentralized Finance (DeFi) Definition, Accessed 24 May 2021, https://www.investopedia.com/decentralized-finance-defi-5113835

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