

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

**[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2008

OR

**[] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 0-21554

DENMARK BANCSHARES, INC.

(Exact name of registrant as specified in its charter)

Wisconsin	39-1472124
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

103 East Main Street, Denmark, Wisconsin 54208-0130
(Address of principal executive offices)

(920) 863-2161
(Registrant's telephone number, including area code)

(Former name, address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No []

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

___ Large Accelerated Filer **X Accelerated Filer**
___ Non-accelerated (Do not check if a smaller reporting company) ___ Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [] No [X]

APPLICABLE ONLY TO CORPORATE ISSUERS:

As of November 4, 2008, there were 119,053 shares of the registrant's Common Stock (no par value) outstanding.

DENMARK BANCSHARES, INC.
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Quarterly Report on Form 10-Q
For The Quarter Ended September 30, 2008

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Denmark Bancshares, Inc. and Subsidiaries
Consolidated Statements of Financial Condition

	September 30, 2008 (Unaudited)	December 31, 2007
Assets		
Cash and due from banks	\$9,152,099	\$10,631,937
Federal funds sold	1,055,000	20,836,000
Investment Securities		
Available-for-sale, at fair value	35,446,908	16,187,633
Held-to-maturity, at cost	36,216,820	35,527,620
Total Investment Securities	\$71,663,728	\$51,715,253
Loans	291,866,561	302,636,362
Allowance for credit losses	(6,366,788)	(5,870,512)
Net Loans	\$285,499,773	\$296,765,850
Loans held for sale	0	937,846
Premises and equipment, net	8,122,106	8,568,794
Other investments, at cost	4,452,911	6,586,625
Accrued interest receivable	2,180,523	2,180,057
Other assets	11,238,444	11,711,276
TOTAL ASSETS	\$393,364,584	\$409,933,638
Liabilities		
Deposits		
Noninterest-bearing	\$34,456,536	\$45,090,344
Interest-bearing	260,451,682	263,863,481
Total Deposits	\$294,908,218	\$308,953,825
Short-term borrowings	12,512,368	20,746,640
Accrued interest payable	867,901	1,175,520
Other liabilities	1,170,962	1,469,623
Long-term debt	30,850,000	25,750,000
Total Liabilities	\$340,309,449	\$358,095,608
Stockholders' Equity		
Common stock, no par value, authorized 640,000 shares; outstanding 119,053	\$18,173,975	\$18,173,975
Treasury stock, at cost (2,477 shares)	(2,067,385)	(2,067,385)
Paid in capital	469,986	469,986
Retained earnings	37,266,138	35,096,323
Accumulated other comprehensive income (loss)		
Unrealized gains (losses) on securities	(787,579)	165,131
Total Stockholders' Equity	\$53,055,135	\$51,838,030
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$393,364,584	\$409,933,638
The accompanying notes are an integral part of these financial statements.		

Denmark Bancshares, Inc. and Subsidiaries
Consolidated Statements of Income

	(Unaudited)			
	For the Quarter Ended		For the Nine Months Ended	
	September 30, 2008	September 30, 2007	September 30, 2008	September 30, 2007
Interest Income				
Loans including fees	\$4,948,972	\$6,002,125	\$15,554,283	\$17,219,246
Investment securities:				
Taxable	478,757	199,339	1,310,451	606,638
Exempt from federal tax	470,001	461,642	1,398,950	1,428,571
Interest on federal funds sold	17,425	121,289	99,845	235,997
Other interest income	20,054	73,712	80,039	196,809
	<u>\$5,935,210</u>	<u>\$6,858,107</u>	<u>\$18,443,568</u>	<u>\$19,687,261</u>
Interest Expense				
Deposits	\$1,801,890	\$2,648,737	\$6,140,232	\$7,660,842
Short-term borrowings	99,011	350,211	381,050	1,116,856
Long-term debt	332,135	288,574	966,180	868,970
	<u>\$2,233,036</u>	<u>\$3,287,522</u>	<u>\$7,487,462</u>	<u>\$9,646,668</u>
Net interest income	\$3,702,174	\$3,570,585	\$10,956,106	\$10,040,593
Provision for Credit Losses	225,000	350,000	550,000	803,000
Net interest income after provision for credit losses	<u>\$3,477,174</u>	<u>\$3,220,585</u>	<u>\$10,406,106</u>	<u>\$9,237,593</u>
Other Income				
Service fees and commissions	\$272,630	\$201,988	\$624,509	\$581,005
Loan sale gains	12,233	9,824	55,716	31,825
Investment security sale gains	31,486	0	31,486	0
Gain on sale of insurance assets	0	0	0	380,881
Other	167,988	139,342	517,620	467,435
	<u>\$484,337</u>	<u>\$351,154</u>	<u>\$1,229,331</u>	<u>\$1,461,146</u>
Other Expense				
Salaries and employee benefits	\$1,670,775	\$1,534,580	\$4,896,387	\$4,521,511
Occupancy expenses	316,266	333,607	978,791	1,031,453
Data processing expenses	139,743	168,256	479,818	563,603
Professional fees	76,195	114,616	267,069	259,789
Amortization of intangibles	48,097	48,097	144,293	144,293
Loss on sale of other real estate	353,026	90,644	492,510	322,009
Other real estate expenses	123,705	83,336	233,524	310,057
Other operating expenses	271,999	237,985	839,599	762,789
	<u>\$2,999,806</u>	<u>\$2,611,121</u>	<u>\$8,331,991</u>	<u>\$7,915,504</u>
Income before income taxes	\$961,705	\$960,618	\$3,303,446	\$2,783,235
Income tax expense	153,062	181,692	270,497	513,843
NET INCOME	<u><u>\$808,643</u></u>	<u><u>\$778,926</u></u>	<u><u>\$3,032,949</u></u>	<u><u>\$2,269,392</u></u>
Per Share				
Net income	\$6.80	\$6.54	\$25.48	\$19.06
Dividends declared	\$0.00	\$0.00	\$7.25	\$7.20
Weighted average shares outstanding	119,053	119,053	119,053	119,053

The accompanying notes are an integral part of these financial statements.

Denmark Bancshares, Inc.						
Consolidated Statement of Changes in Stockholders' Equity						
<i>(Unaudited)</i>						
	Common Stock				Accumulated	
					Other	
			Paid in	Retained	Comprehensive	
	Shares	Amount	Capital	Earnings	Income	Total
Balance, December 31, 2007	119,053	\$16,106,590	\$469,986	\$35,096,323	\$165,131	\$51,838,030
Comprehensive income						
Net income				3,032,949		3,032,949
Other comprehensive income, net of tax						
Change in unrealized gain on securities available-for-sale					(952,710)	(952,710)
Total comprehensive income						\$2,080,239
Cash dividends, \$7.25 per share				(863,134)		(863,134)
Balance, September 30, 2008	119,053	\$16,106,590	\$469,986	\$37,266,138	(\$787,579)	\$53,055,135
The accompanying notes are an integral part of these financial statements.						

Denmark Bancshares, Inc. and Subsidiaries
Consolidated Statements of Cash Flows

(Unaudited)

	For the Nine Months Ended September 30,	
	2008	2007
<i>Cash Flows from Operating Activities:</i>		
Net income	\$3,032,949	\$2,269,392
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	507,937	584,048
Provision for credit losses	550,000	803,000
Amortization of intangibles	144,293	144,293
Gains on sales of loans	(55,716)	(31,825)
Loss on sale of assets	492,693	323,533
Gain on sale of insurance assets	0	(380,881)
Amortization of bond premium	42,780	8,964
Accretion of bond discount	(284,735)	(156,761)
Mortgage loans originated for sale	(5,244,102)	(2,419,717)
Proceeds from sale of mortgage loans	5,062,610	2,021,699
Income from bank owned life insurance	(191,789)	(180,000)
Increase in interest receivable	(466)	(336,626)
Decrease in interest payable	(307,619)	(90,955)
Other, net	151,288	231,160
Net Cash Provided by Operating Activities	<u>\$3,900,123</u>	<u>\$2,789,324</u>
<i>Cash Flows from Investing Activities:</i>		
Maturities of held-to-maturity securities	\$3,035,000	\$2,430,000
Maturities and sales of available-for-sale securities	13,184,643	5,799,463
Purchases of available-for-sale securities	(33,838,532)	(9,140,350)
Purchases of held-to-maturity securities	(3,630,384)	0
Money market mutual funds, net	2,133,714	(181,115)
Federal funds sold, net	19,781,000	7,537,000
Proceeds from sale of insurance assets	0	500,000
Proceeds from sale of foreclosed assets	2,754,253	2,972,966
Net decrease (increase) in loans made to customers	10,161,972	(649,539)
Capital expenditures	(61,432)	(55,741)
Net Cash Provided by Investing Activities	<u>\$13,520,234</u>	<u>\$9,212,684</u>
<i>Cash Flows from Financing Activities:</i>		
Net (decrease) increase in deposits	(\$14,045,607)	\$3,376,994
Dividends paid	(1,720,316)	(1,708,411)
Debt proceeds	16,463,578	4,388,058
Debt repayments	(19,597,850)	(17,537,339)
Net Cash Used by Financing Activities	<u>(\$18,900,195)</u>	<u>(\$11,480,698)</u>
Net (decrease) increase in cash and cash equivalents	<u>(\$1,479,838)</u>	<u>\$521,310</u>
Cash and cash equivalents, beginning	10,631,937	9,258,418
CASH AND CASH EQUIVALENTS, ENDING	<u><u>\$9,152,099</u></u>	<u><u>\$9,779,728</u></u>
<i>Noncash Investing Activities:</i>		
Loans transferred to foreclosed properties	<u>\$1,729,159</u>	<u>\$1,791,336</u>
<i>Supplemental Cash Flow Disclosures:</i>		
Cash paid for interest	\$7,802,512	\$9,744,624
Cash paid for income taxes	765,818	632,016
The accompanying notes are an integral part of these financial statements.		

Denmark Bancshares, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements
(Unaudited)

NOTE 1 – FINANCIAL STATEMENTS

The consolidated financial statements included herein are unaudited. In the opinion of management, these statements contain all adjustments necessary to present fairly the financial position of Denmark Bancshares, Inc. (“DBI”), the results of operations and cash flows for the periods presented. All adjustments necessary for the fair presentation of the financial statements are of a normal recurring nature. These consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included in DBI’s latest annual report on Form 10-K. DBI’s subsidiaries are the Denmark State Bank (“DSB”), Denmark Agricultural Credit Corporation (“DACC”) and the McDonald-Zeamer Insurance Agency, Inc. (“McDonald”). On January 2, 2007, McDonald sold the insurance book of business and agreed to exit the insurance business for a period of three years.

Reclassifications – Certain amounts in the prior period financial statements have been reclassified for comparative purposes to conform to the presentation in the current year.

NOTE 2 - INVESTMENT SECURITIES				
The amortized cost and estimated fair value of securities available-for-sale were as follows:				
	September 30, 2008			
	Amortized	Gross	Gross	Estimated
	Cost	Unrealized	Unrealized	Fair
		Gains	(Losses)	Value
U.S. Government-sponsored agencies	\$7,918,144	\$110,455	\$0	\$8,028,599
U.S. Government-sponsored agency MBS	2,389,084	25,033	(896)	2,413,221
State and local governments	5,414,201	40,746	(25,399)	5,429,548
Corporate mortgage-backed securities	21,011,914	79,183	(1,515,557)	19,575,540
	<u>\$36,733,343</u>	<u>\$255,417</u>	<u>(\$1,541,852)</u>	<u>\$35,446,908</u>
	December 31, 2007			
	Amortized	Gross	Gross	Estimated
	Cost	Unrealized	Unrealized	Fair
		Gains	(Losses)	Value
U.S. Government-sponsored agencies	\$12,124,622	\$236,677	\$0	\$12,361,299
U.S. Government-sponsored agency MBS	1,334,149	22,102	(5,839)	1,350,412
State and local governments	972,544	8,171	(4,793)	975,922
Corporate debt securities	1,500,000	0	0	1,500,000
	<u>\$15,931,315</u>	<u>\$266,950</u>	<u>(\$10,632)</u>	<u>\$16,187,633</u>
The amortized cost and estimated fair value of securities held-to-maturity were as follows:				
	September 30, 2008			
	Amortized	Gross	Gross	Estimated
	Cost	Unrealized	Unrealized	Fair
		Gains	(Losses)	Value
State and local governments	<u>\$36,216,820</u>	<u>\$1,533,848</u>	<u>(\$178,195)</u>	<u>\$37,572,473</u>
	December 31, 2007			
	Amortized	Gross	Gross	Estimated
	Cost	Unrealized	Unrealized	Fair
		Gains	(Losses)	Value
State and local governments	<u>\$35,527,620</u>	<u>\$1,686,858</u>	<u>(\$4,081)</u>	<u>\$37,210,397</u>

Denmark Bancshares, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

(Unaudited)

The amortized cost and estimated fair values of securities at September 30, 2008, by maturity were as follows:

	Securities Available-for-Sale		Securities Held-to-Maturity	
	Amortized	Estimated	Amortized	Estimated
Amounts Maturing	Cost	Fair Value	Cost	Fair Value
Within one year	\$281,040	\$281,850	\$1,479,774	\$1,502,482
From one through five years	25,796,895	24,389,974	8,348,927	8,803,409
From five through ten years	9,314,063	9,423,478	14,673,152	15,347,270
After ten years	1,341,345	1,351,606	11,714,967	11,919,312
	<u>\$36,733,343</u>	<u>\$35,446,908</u>	<u>\$36,216,820</u>	<u>\$37,572,473</u>

At September 30, 2008, 18 debt securities have unrealized losses with aggregate depreciation of 9.3% from DSB's amortized cost basis. These unrealized losses relate principally to current market conditions for mortgage-backed securities and are not due to changes in the financial condition of the issuer. Detailed analysis, including delinquency percentages, credit scores and collateral type, was performed on two of the corporate-issued collateralized mortgage obligations with the most significant declines in fair value. Collateral performance was analyzed and given the class of holdings for these issuances, there is no loss of principal anticipated. Given this analysis and the fact that management has the ability to hold debt securities for the foreseeable future, no declines are deemed to be other than temporary. DSB does not hold any stock in the Federal Home Loan Mortgage Corp. (FHLMC or Freddie Mac) or the Federal National Mortgage Corp. (FNMA or Fannie Mae).

NOTE 3 - LOANS

Major categories of loans included in the loan portfolio are as follows:

	September 30, 2008	December 31, 2007
Real Estate:		
Residential	\$94,715,765	\$95,108,185
Commercial	50,226,365	59,169,245
Agricultural	44,175,012	43,444,746
Construction	19,647,547	22,722,952
	<u>\$208,764,689</u>	<u>\$220,445,128</u>
Commercial	\$33,638,159	\$33,241,114
Agricultural	38,145,814	39,582,154
Consumer and other	11,317,899	9,367,966
TOTAL	<u>\$291,866,561</u>	<u>\$302,636,362</u>

Changes in the allowance for loan losses were as follows:

	For the Nine Months Ended September 30,		For the Year Ended December 31,
	2008	2007	2007
Balance, beginning of period	\$5,870,512	\$5,731,674	\$5,731,674
Provision charged to operations	550,000	803,000	903,000
Recoveries	475,137	24,585	108,369
Charge-offs	(528,861)	(514,179)	(872,531)
Balance, end of period	<u>\$6,366,788</u>	<u>\$6,045,080</u>	<u>\$5,870,512</u>

NOTE 4 – NEW ACCOUNTING PRONOUNCEMENTS

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements*. This statement defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. SFAS No. 157 establishes a fair value hierarchy about the assumptions used to measure fair value and clarifies assumptions about risk and the effect of restriction on the sale or use of an asset. The standard is effective for fiscal years beginning after November 15, 2007. In February 2008, the FASB issued FASB Staff Position (FSP) on SFAS No. 157-2, *Effective Date of FASB SFAS No. 157*. This FSP delays the effective date of SFAS No. 157 for all non-financial assets and non-financial liabilities, except those recognized at fair value on a recurring basis (at least annually) to fiscal years beginning after November 15, 2008, and interim periods within those fiscal years. The adoption of SFAS No. 157 had no significant effect on DBI's financial statements. For additional information on the fair value of certain financial assets and liabilities, see Note 5 – Fair Value Measurement to the consolidated financial statements below.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities – Including an Amendment of FASB SFAS No. 115*. SFAS No. 159 permits an entity to choose to measure many financial instruments and certain other items at fair value. Most of the provisions of SFAS No. 159 are elective; however, the amendment of SFAS No. 115, *Accounting for Certain Investments in Debt and Equity Securities*, applies to all entities with available-for-sale or trading securities. For financial instruments elected to be accounted for at fair value, an entity will report the unrealized gains and losses in earnings. As of January 1, 2008, DBI had the option to elect to carry specific financial assets and financial liabilities at fair value. SFAS No. 159 was adopted but DBI did not elect to record any financial assets or liabilities at fair value in accordance with SFAS No. 159.

NOTE 5 – FAIR VALUE MEASUREMENT

SFAS No. 157 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in a transaction between market participants on the measurement date. Some assets and liabilities are measured on a recurring basis while others are measured on a non-recurring basis, as required by U.S. generally accepted accounting principles. SFAS No. 157 also established a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs defined in the standard that may be used to measure fair value are as follows:

Level 1: Quoted prices for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that are supported by little, if any, market activity. These unobservable inputs reflect estimates that market participants would use in pricing the asset or liability.

DBI used the following methods and significant assumptions to estimate fair value.

Assets Recorded at Fair Value on a Recurring Basis

Available-for-Sale Securities: Investment securities available-for-sale are recorded at fair value on a recurring basis. The fair value measurement of all of DBI's available-for-sale securities is currently determined by an independent provider using Level 2 inputs. The measurement is based upon quoted prices for similar assets, if available. If quoted prices are not available, fair values are measured using matrix pricing models, or other model based valuation techniques requiring observable inputs other than quoted prices such as yield curves, prepayment speed and default rates.

Assets measured at fair value on a recurring basis, are summarized in the table below:

<u>Description</u>	September 30, 2008			
	Fair Value Measurements Using			<u>Fair Value</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Available-for-sale securities	\$ -	\$ 35,446,908	\$ -	\$ 35,446,908

Assets Recorded at Fair Value on a Nonrecurring Basis

Loans Held for Sale: Mortgage loans held for sale are recorded at the lower of cost or market value. The fair value is based on a market commitment for the sale of the loan in the secondary market. These loans are typically sold within one week of funding. DBI classifies mortgage loans held for sale as nonrecurring Level 2 assets. As of September 30, 2008, there were no loans held for sale.

Impaired Loans: As defined below in the *Glossary of Loan Terms* section, a loan is considered to be impaired when, based on current information or events, it is probable that not all amounts due will be collected according to the contractual terms of the loan agreement. Impairment is measured based on the fair value of the underlying collateral. The collateral value is determined based on appraisals and other market valuations for similar assets. Under SFAS No. 157, the fair value of impaired loans is reported before selling costs of the related collateral, while SFAS No. 114 requires that impaired loans be reported on the balance sheet net of estimated selling costs. Therefore, significant estimated selling costs would result in the reported fair value of impaired loans being greater than the measurement value of impaired loans as maintained on the balance sheet. In most instances, selling costs were estimated for real estate-secured collateral and included broker commissions, legal and title transfer fees and closing costs. Impaired loans are classified as nonrecurring Level 2 assets.

Assets measured at fair value on a nonrecurring basis, are summarized in the following table:

<u>Description</u>	September 30, 2008			
	Fair Value Measurements Using			<u>Fair Value</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Impaired Loans	\$ -	\$ 5,581,837	\$ -	\$ 5,581,837

Denmark Bancshares, Inc. and Subsidiaries
Management's Discussion and Analysis of Financial Condition and Results of Operations
(Unaudited)

Financial Highlights

	3rd Qtr 2008	2nd Qtr 2008	1st Qtr 2008	4th Qtr 2007	3rd Qtr 2007
(In thousands, except per share data)					
Operating Results					
Interest income	\$5,935	\$6,050	\$6,458	\$6,506	\$6,858
Interest expense	2,233	2,404	2,850	3,109	3,288
Net interest income	3,702	3,646	3,608	3,397	3,570
Provision for credit losses	225	175	150	100	350
Noninterest income	484	390	355	371	351
Noninterest expense	3,000	2,639	2,693	2,275	2,611
Net income	809	967	1,257	1,041	779
Per Share Data					
Net income per share	\$6.80	\$8.12	\$10.56	\$8.74	\$6.54
Financial Condition (1)					
Total Loans (includes loans held for sale)	\$291,867	\$289,718	\$291,939	\$303,574	\$305,735
Allowance for credit losses	6,367	6,343	6,280	5,871	6,045
Investment securities	71,664	71,567	68,155	51,715	52,309
Assets	393,365	401,144	394,520	409,934	394,134
Deposits	294,908	298,208	294,730	308,954	297,039
Other borrowed funds	43,362	47,432	44,924	46,497	43,232
Stockholders' equity	53,055	52,734	53,073	51,838	51,558
Financial Ratios					
Return on average equity	6.09%	7.32%	9.62%	8.05%	6.08%
Return on average assets	0.82%	0.98%	1.27%	1.06%	0.79%
Interest rate spread	3.48%	3.40%	3.25%	3.01%	3.15%
Average equity to average assets	13.39%	13.40%	13.17%	12.94%	12.91%
Allowance for credit losses to total loans (1)	2.18%	2.20%	2.16%	1.94%	1.98%
Non-performing loans to allowance for credit losses (1)	123%	138%	141%	135%	117%

(1) As of the period ending.

This report may contain certain forward-looking statements, including without limitation, statements regarding results of operations, the appropriateness of the allowance for loan losses, the amounts of charge-offs and recoveries, capital to assets ratios, capacity for paying dividends and liquidity. These forward-looking statements are inherently uncertain and actual results may differ from Company expectations. The following factors which, among others, could impact current and future performance include but are not limited to: (i) adverse changes in asset quality and resulting credit risk-related losses and expenses; (ii) adverse changes in the local economy; (iii) fluctuations in market rates and prices which can negatively affect net interest margin, asset valuations and expense expectations; and (iv) changes in regulatory requirements of federal and state agencies applicable to banks and bank holding companies, which could have materially adverse effects on DBI's future operating results. When relying on forward-looking statements to make decisions with respect to DBI, investors and others are cautioned to consider these and other risks and uncertainties. All forward-looking statements contained in this report are based upon information presently available and DBI assumes no obligation to update any forward-looking statements.

Critical Accounting Policies

The accounting and reporting policies of DBI are in accordance with accounting principles generally accepted in the United States of America and conform to general practices in the banking industry. The preparation of financial statements in conformity with these principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based on information available at the date of the financial statements. Certain policies inherently have a greater reliance on the use of estimates, assumptions, and judgments and as such have a greater possibility of producing results that could be materially different than originally reported.

Management believes that DBI's critical accounting policies are those relating to the allowance for loan and lease losses.

Allowance for Loan and Lease Losses

The allowance for loan and lease losses ("ALLL") is an estimate of the losses that may be sustained in the loan and lease portfolio. The allowance is based on two basic principles of accounting: (1) Statement of Financial Accounting Standards ("SFAS") No. 5, "Accounting for Contingencies", which requires that losses be accrued when they are probable of occurring and estimable, and (2) SFAS No. 114, "Accounting by Creditors for Impairment of a Loan", which requires that the loan be categorized as impaired when it is probable that DBI will not collect all principal and interest payments according to the loan's or lease's contractual terms. Guidelines for determining allowances for loan losses are also provided in the SEC Staff Accounting Bulletin No. 102 - "Selected Loan Loss Allowance Methodology and Documentation Issues" and the Federal Financial Institutions Examination Council's interagency guidance, "Interagency Policy Statement on the Allowance for Loan and Lease Losses" (the "FFIEC Policy Statement").

DSB's and DACC's boards of directors have approved policies to provide management with a systematic methodology to determine an appropriate allowance for loan and lease losses. This methodology includes a systematic loan grading system that requires quarterly reviews, identification of loans to be evaluated on an individual basis for impairment, results of independent reviews of asset quality and the adequacy of the allowance by regulatory agencies as an integral part of their examination process, consideration of current trends and volume of total nonperforming, past due, nonaccrual and potential problem loans, and consideration of national and local economic trends and industry conditions.

In applying the methodology, nonaccrual loans, restructured loans and potential problem loans, above a certain size, are reviewed to determine if they are impaired. Impaired loans are individually analyzed and an allowance amount is calculated for each one of these loans, based on the estimated fair value of collateral, in conjunction with FAS 114. Loans that are not impaired are segmented into groups by type of loan. The following loan types are utilized so that each segment of loans will have similar risk factors; 1) residential real estate, 2) agricultural real estate, 3) commercial real estate, 4) agricultural, 5) commercial, 6) consumer installment, and 7) other. In addition, based on internal reviews and external reviews performed by regulatory authorities, DSB and DACC further segregate loans that are not impaired by loan risk classification within each type of loan based on an assessment of risk for a particular loan. The applicable risk classifications are "special mention" and "substandard". A "substandard" loan is a loan that is inadequately protected by the current net worth and paying capacity of the borrower or of any collateral. Loans classified "substandard" have well-defined weaknesses that jeopardize liquidation and are characterized by the distinct possibility that some loss will be sustained if the deficiencies are not corrected.

Loans classified "special mention" are one step above substandard; these loans contain some weakness which if not corrected or improved upon could lead to further deterioration and a lower rating. Risk factor percentages are applied to the identified segments of each of the nonclassified and classified portions of the portfolios to calculate an allowance in conjunction with FAS 5. These risk factor percentages are based on historical loan loss experience adjusted for current economic conditions and trends and internal loan quality trends.

The foregoing calculations in accordance with FAS 114 and FAS 5 are used to confirm the adequacy and appropriateness of the ALLL as developed through provisions for credit losses charged to expense, recognizing that the ALLL represents an aggregation of judgments and estimates by management. Such calculations also influence the amount of future provisions for credit losses charged to expense, pending reapplication of the described systematic methodology.

Management evaluates the appropriateness of the ALLL on a quarterly basis and submits to the board of directors of DSB each quarter a recommendation of the amount of a monthly provision for loan losses. If the mix and amount of future charge-offs differ significantly from those assumptions used by management in making its determination, the ALLL and the provision for loan losses on the income statement could be materially affected. Management believes that the ALLL is appropriate as of September 30, 2008.

Glossary of Loan Terms

Impaired Loan - A loan is impaired when, based on current information and events, it is probable that not all amounts due will be collected according to the contractual terms of the loan agreement. Impaired loans are measured at the estimated fair value of the collateral. If the estimated fair value of the impaired loan is less than the recorded investment in the loan, an impairment is recognized by creating a valuation allowance.

Nonaccrual Loan - DSB's policy is to place in nonaccrual status all loans which are contractually past due 90 days or more as to any payment of principal or interest and all other loans as to which reasonable doubt exists as to the full, timely collection of interest or principal based on management's view of the financial condition of the borrower. When a loan is placed on nonaccrual, all interest previously accrued but not collected is reversed against current period interest income. Income on such loans is then recognized only to the extent that cash is received and where the future collection of principal is probable. Interest accruals are resumed on such loans only when they are brought fully current with respect to interest and principal and when, in the judgment of management, the loans are estimated to be fully collectible as to both principal and interest.

Non-Performing Assets - Non-performing assets include nonaccrual loans as defined above and real and personal properties acquired in satisfaction of debts previously owed.

Past Due Accruing Loans - A loan on which all or part of a scheduled payment is delinquent by more than 30 days but less than 90 days past due, except loans that are considered nonaccrual.

Potential Problem Loans - Potential problem loans are accruing loans in which there exists doubt as to the ability of the borrower to comply with present loan repayment terms. Management's decision to place loans in this category does not necessarily mean that DBI expects losses to occur on these loans, but that management recognizes that a higher degree of risk is associated with these accruing loans and they deserve closer scrutiny.

Restructured Loans - Restructured loans involve the granting of some concession to the borrower involving the modification of terms of the loan, such as changes in the payment schedule, the amortization term, the interest rate, or a combination of these.

Risk Rating – Risk rating, which is also sometimes referred to as loan grade, is the credit quality grade assigned to each loan. Loans are assigned a risk rating upon origination. Lenders and credit review analysts conduct periodic reviews and evaluations and make adjustments to the assigned grades when appropriate. The range of categories from the best quality to worst is as follows: highest quality, solid quality, some weakness, inherent industry weakness, special mention, substandard, doubtful and loss. Impaired loans are generally assigned a substandard risk grade.

Special Mention Loans - Loans classified "special mention" are one step above substandard loans as described below. These loans contain some weakness, which if not corrected or improved upon could lead to further deterioration and a lower rating.

Substandard - A "substandard" loan is a loan that is inadequately protected by the current sound net worth and paying capacity of the borrower or of any collateral. Loans classified "substandard" have well-defined weaknesses that jeopardize liquidation and are characterized by the distinct possibility that some loss will be sustained if the deficiencies are not corrected.

Results of Operations

Net income for the quarter ended September 30, 2008, was \$808,643, an increase of \$29,717 or 3.8%, compared to \$778,926, for the corresponding period in 2007. This increase was primarily the result of an increase in non-interest income of \$133,183, higher net interest income which increased by \$131,589 and a decrease in the provision for loan loss expense which declined \$125,000. These items offset the increase in losses on the sale of other real estate of \$262,382 and higher salaries and employee benefits which increased \$136,195.

Net interest income for the quarter ended September 30, 2008, was \$3,702,174 an increase of \$131,589 compared to \$3,570,585 recorded the corresponding period of the prior year. The following table sets forth a summary of the changes in interest earned and interest paid resulting from changes in volume and changes in rates:

	Increase (Decrease) Due to Change In		
<i>(In thousands)</i>	Average Balance	Average Rate	Total Change
Interest income	(\$111,957)	(\$810,940)	(\$922,897)
Interest expense	(33,099)	(1,021,387)	(1,054,486)
Net interest income	(\$78,858)	\$210,447	\$131,589

This increase in net interest income is attributable to an increase in net interest spread due to a reduction in the cost of funds, partially offset by a decline in the yield on earning assets. The average net interest rate spread increased 33 basis points from 3.15% during the third quarter of 2007 to 3.48% during the quarter ended September 30, 2008. DBI's yield on earning assets was 7.37% during the third quarter of 2007 compared to 6.36% during the quarter ended September 30, 2008, a decline of 101 basis points. The average cost of funds was 2.88% during the most recent quarter, a decrease of 134 basis points compared to 4.22% for the quarter ended September 30, 2007. The average balance of interest-earning assets increased by \$859,507 while the volume of interest-bearing liabilities decreased by \$2 million during the third quarter of 2008 over average balances for the third quarter of 2007. During the third quarter of 2007, there was \$261,103 of interest on nonaccrual loans recognized that was collected during the first seven months of 2007 but had previously been deferred. Excluding the nonaccrual interest resulted in an average net interest rate spread of 2.87% and a yield on earning assets of 7.09% for the third quarter of 2007.

For the third quarter of 2008 DBI's provision for credit losses was \$225,000 as compared to \$350,000 during the same period of 2007. Net charge-offs of \$200,749 were recognized in the third quarter of 2008 compared to net charge-offs of \$105,464 during the corresponding period in the prior year.

Noninterest income for the three months ended September 30, 2008, was \$484,337, an increase of \$133,183 compared to \$351,154 during the corresponding period in 2007. The increase is primarily attributable to an increase in brokerage fees and commissions of \$65,352 in the third quarter of 2008 over the same period in 2007 as well as \$31,486 in securities gains recognized in the quarter-ended September 30, 2008. The decision was made to restructure some holdings in the investment portfolio by selling three agency step-up securities and replacing them with one agency mortgage-backed security. The decision was based on a number of positive factors including a decrease in liquidity and option risk, increasing the yield by 2 basis points and recognizing the gain all while maintaining a comparable level of credit risk.

Noninterest expense increased by \$388,685 or 15% during the three months ended September 30, 2008, compared to corresponding period in 2007. The primary factors for the increase were an increase in the loss on sale of other real estate owned of \$262,382 during the third quarter of 2008 versus the third quarter of 2007 as well as salaries and employee benefits which was \$136,195 higher than the corresponding period in 2007. This can be attributed to regular salary increases and the increase in the number of full-time equivalent employees from 89 in the third quarter of 2007 to 95 as of September 30, 2008.

During the third quarter of 2008, DBI recognized losses on the sale or write-down of other real estate parcels of \$353,026 which is an increase of \$262,382 or 289.5% as compared to losses of \$90,644 during the third quarter of 2007. There were sales of 11 properties during the quarter along with write-downs on 7 properties. DBI incurred \$123,705 of expenses associated with its acquired properties. These expenses consisted primarily of real estate taxes, costs for repairs, maintenance, utilities, insurance and legal. This represents an increase of \$40,369 or 48% when compared to \$83,336 incurred during the third quarter of 2007. The number of properties held as of the end of the third quarter 2008 was 10 as compared to 21 properties as of the end of the same period for 2007. Management continues to focus on further reducing the level of acquired properties.

During the first quarter of 2008, DBI was notified that the Internal Revenue Service (IRS) had abandoned its position that banks need to combine the tax-exempt obligations of their investment subsidiaries with banks' municipal obligations when computing their interest disallowance, more commonly known as the TEFRA disallowance. Based on this ruling, an anticipated tax refund related to the TEFRA disallowance of \$355,289 was included in the tax calculation for first quarter 2008. Refunds for 2002 and 2003 totaling \$93,635 were received during the second quarter of 2008. The refunds were offset against the income tax receivable.

For the three months ended September 30, 2008 and 2007, DBI recorded combined federal and state income tax provisions of \$153,062 and \$181,692, respectively. These provisions reflect effective income tax rates of 16% in 2008 and 19% in 2007. DBI's combined statutory tax rate is 39%. The lower effective income tax rates are primarily attributable to certain federally tax exempt interest earned on state and local government investment securities.

Financial Condition

Total assets decreased by \$16.6 million between December 31, 2007, and September 30, 2008. Investment securities increased by \$20 million during the first nine months of 2008. Federal funds sold were reduced by \$20 million to fund the growth of investment securities. The Federal Open Market Committee reduced the federal funds rate by 225 basis points during the first half of 2008. The rate fell from 4.25% at year-end to 2.00% and remained at this level as of the end of the third quarter. Total loans decreased by \$10.8 million during the first nine months. The reduction in loans is discussed in more detail below.

As mentioned above, the investment portfolio had a net increase of \$20 million during the first nine months of 2008. Due to the declining rate environment experienced since year-end, several U.S. Agency-issued bonds were called. In addition, the loan portfolio has experienced a decline since year-end, also previously noted. To offset these declines in assets, additional investments were purchased. The primary type of investments purchased were Corporate-issued collateralized mortgage obligations (CMOs). The issues purchased are rated AAA and are in a senior position related to the repayment of principal. Refer to Note 2 above for additional information on the investment portfolio.

The following table sets forth major types of loans (excluding loans held for sale) by primary collateral and the percentage of total loans for each type:

<i>(In thousands)</i>	September 30, 2008		December 31, 2007	
	Amount	%	Amount	%
Real Estate:				
Residential	\$94,716	32.5%	\$95,108	31.4%
Commercial	50,226	17.2%	59,169	19.6%
Agricultural	44,175	15.1%	43,445	14.4%
Construction	19,648	6.7%	22,723	7.5%
	\$208,765	71.5%	\$220,445	72.8%
Commercial	33,638	11.5%	33,241	11.0%
Agricultural	38,146	13.1%	39,582	13.1%
Consumer and other	11,318	3.9%	9,368	3.1%
TOTAL	\$291,867	100.0%	\$302,636	100.0%

During the first nine months of 2008 commercial real estate loans declined by \$8.9 million while construction loans fell by \$3.0 million. Management attributes the declines in the commercial and construction loan portfolios to tighter underwriting standards, aggressive collection efforts and a soft local economy. Agricultural loans not secured by real estate declined by \$1.4 million during the same period.

Based on current market conditions, the decision was made during the second quarter of 2008 to designate the student loan portfolio as held-for-investment rather than available-for-sale as has been the practice in the past. The portfolio was essentially transferred at par value at June 30, 2008. The market value of these loans was approximately equal to par value based on quoted prices on securities backed by similar portfolios of student loans.

The allowance for credit losses increased by \$496,276 during the nine months ended September 30, 2008. The collection of a \$420,000 personal guarantee during the first quarter contributed significantly to the increase in the allowance balance. The allowance equals 2.18% of total loans at September 30, 2008 compared to 1.94% at December 31, 2007. Nonaccrual loans totaled \$7.8 million at quarter-end, a decrease of \$104,000 compared to December 31, 2007. DBI's ratio of loans more than 30 days past due (including nonaccrual loans) to total loans was 3.75% at quarter end, compared to 4.02% at year-end. As of September 30, 2008, management has identified \$33.9 million of potential problem loans compared to \$15.1 million at year-end. The increase is primarily the result of changes in the credit review process implemented by the Chief Credit Officer, who was hired in December, 2007. This increase does not necessarily correlate with increased allocations to the allowance. DBI has no accruing loans that are past due 90 days or more. The following table sets forth certain data concerning nonaccrual loans, past due accruing loans, restructured loans and other real estate (property acquired through foreclosure or in satisfaction of loans):

	September 30, 2008		December 31, 2007	
		% of Total		% of Total
<i>(In thousands)</i>	Amount	Loans	Amount	Loans
Nonaccrual Loans (1)	\$7,800	2.7%	\$7,904	2.6%
Restructured Accruing Loans	834	0.3%	499	0.2%
Accruing Loans Past Due				
90 Days or More	0	0.0%	0	0.0%
Total	\$8,634	3.0%	\$8,403	2.8%
Other Real Estate	\$1,024		\$2,542	

(1) Includes restructured loans of \$1,828,654 and \$2,410,491 as of September 30, 2008 and December 31, 2007, respectively.

Total non-interest bearing deposits decreased by \$10.6 million during the first nine months of 2008. Management attributes this decrease in part to a seasonal fluctuation but also to the closing of a corporate checking account that had a balance of \$6.0 million at December 31, 2007. The corporation ceased operations during the first quarter of 2008. The corporation maintained an average balance of \$1.3 million during 2007.

Interest-bearing deposits decreased by \$3.4 million between December 31, 2007 and September 30, 2008. Interest bearing deposits consisted of the following:

	9/30/2008	12/31/2007
NOW accounts	\$16,894,713	\$18,680,537
Savings accounts	16,868,292	15,947,845
Money market accounts	91,438,721	88,108,029
Certificates of deposit	135,249,956	141,127,070
TOTAL	\$260,451,682	\$263,863,481

Certificates of deposit decreased by \$5.9 million during the first nine months of 2008. Certificate of deposit renewal interest rates have fallen more than 200 basis points causing some of those depositors to shift funds to money market accounts while others have withdrawn their funds to deposit with other financial institutions offering higher rates.

Short-term borrowings decreased by \$8.2 million as of September 30, 2008 when compared to the prior year-end while long-term borrowings increased by \$5.1 million during the same period. This is primarily due to locking \$4 million of short-term borrowings into long-term funds given the favorable rate environment, as well as borrowing an additional \$4 million to fund a new in-house mortgage product. These increases in long-term borrowings were partially offset by the pay-off of a \$2.5 million note that matured during the third quarter of 2008.

Stockholders' equity increased by \$1.2 million to \$53,055,135 as of September 30, 2008. As of September 30, 2008, DBI's leverage ratio was 13.4%, the risk-based core capital ratio was 17.4% and the risk-based total capital ratio was 18.7%. DBI and DSB continue to maintain capital levels well above the regulatory minimum levels.

Liquidity

Liquidity refers to the ability of DBI to generate adequate amounts of cash to meet DBI's needs for cash. Cash and cash equivalents decreased by \$1.5 million during the first nine months of 2008 but still total over \$9 million. The major sources and uses of cash are detailed in the accompanying Consolidated Statements of Cash Flows. The available-for-sale investment portfolio amounting to \$35.4 million as of September 30, 2008, is readily convertible to cash if needed for liquidity purposes.

In addition to on-balance sheet sources of funds DBI also has off-balance sheet sources available to meet liquidity needs. DBI has unused lines of credit of \$35.5 million as of September 30, 2008. Management believes DBI's liquidity position as of September 30, 2008, is adequate under current economic conditions.

Off-Balance Sheet Arrangements

DBI and its subsidiaries are parties to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of their customers. These financial instruments include commitments to extend credit and standby letters of credit. Those instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the statement of financial condition. The contract or notional amounts of those instruments reflect the extent of involvement DBI and its subsidiaries have in particular classes of financial instruments.

The exposure of DBI and its subsidiaries to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit and standby letters of credit is represented by the contractual or notional amount of these instruments. DBI and its subsidiaries use the same credit policies in making commitments and conditional obligations as for on-balance sheet instruments. DBI and its subsidiaries require collateral or other security to support financial instruments with credit risk. The following table sets forth DBI's commitments to extend credit and standby letters of credit:

					Contract or Notional Amount September 30, 2008	Secured Portion
<i>(In thousands)</i>						
<i>Financial instruments whose contract amounts represent credit risk:</i>						
Commitments to extend credit					\$36,388	\$30,076
Standby letters of credit and financial guarantees written					1,606	1,606

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. DBI and its subsidiaries evaluate each customer's creditworthiness on a case-by-case basis. Collateral held varies but may include accounts receivable, inventory, property, plant and equipment and income-producing commercial properties.

Standby letters of credit are conditional commitments issued by DSB to guarantee the performance of a customer to a third party. Those guarantees are primarily issued to support commercial business transactions. When a customer fails to perform according to the terms of the agreement, DSB honors drafts drawn by the third party in amounts up to the contract amount. A majority of the letters of credit expire within one year. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loans to customers. Collateral held varies but may include accounts receivable, inventory, property, plant and equipment and income-producing commercial properties and residential properties. All letters of credit are fully collateralized.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

DBI's primary market risk position has not materially changed from that disclosed in DBI's 2007 Form 10-K Annual Report.

Item 4. Controls and Procedures

As of the end of the period covered by this report, DBI's management, under the supervision and with the participation of DBI's principal executive officer and principal financial officer, has evaluated DBI's disclosure controls and procedures prior to the filing date of this report. Based on that evaluation, management believes that DBI's disclosure controls and procedures as of the end of the period covered by this report are effective in ensuring that information required to be disclosed by DBI in the reports that it files or submits under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported, within the time period specified by the Securities and Exchange Commission's rules and forms.

There were no significant changes in DBI's internal controls over financial reporting or in other factors that have significantly affected these controls during the fiscal quarter covered by this report, including any corrective actions with regard to significant deficiencies and material weaknesses.

Part II. Other Information

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Item 2.a Unregistered sales of equity securities during the quarter – none.

Item 2.b Use of proceeds – not applicable.

Item 2.c Repurchases of common stock during the quarter – none.

Item 2. Other disclosures. Limitations upon the payment of dividends.

The Federal Reserve Board (“the Board”) has adopted regulations that deal with the measure of capitalization for bank holding companies. The Board has also issued a policy statement on the payment of cash dividends by bank holding companies, wherein the Board has stated that a bank holding company experiencing earnings weaknesses should not pay cash dividends exceeding its net income or which could only be funded in ways that weaken the bank holding company's financial health, such as by borrowing.

The ability of DBI to pay dividends on the Common Stock is largely dependent upon the ability of DSB to pay dividends on the stock held by DBI. DSB's ability to pay dividends is restricted by both state and federal laws and regulations. DSB is subject to policies and regulations issued by the FDIC and the Division of Banking of the Wisconsin Department of Financial Institutions (“the Division”), which, in part, establish minimum acceptable capital requirements for banks, thereby limiting the ability to pay dividends. In addition, Wisconsin law provides that state chartered banks may declare and pay dividends out of undivided profits but only after provision has been made for all expenses, losses, required reserves, taxes and interest accrued or due from the bank. Payment of dividends in some circumstances may require the written consent of the Division.

Item 6. Exhibits

(a) Exhibits:

31.1 Certification by the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2 Certification by the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1 Certification of Periodic Financial Report by the Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DENMARK BANCSHARES, INC.

Date: November 4, 2008

/s/ John P. Olsen
John P. Olsen,
Principal Executive Officer and
President

Date: November 4, 2008

/s/ Dennis J. Heim
Dennis J. Heim
Vice President and Treasurer,
Principal Financial and
Accounting Officer

DENMARK BANCSHARES, INC.

EXHIBIT (31.1)

CERTIFICATIONS

I, John P. Olsen, President of Denmark Bancshares, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Denmark Bancshares, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2008

/s/ John P. Olsen

John P. Olsen,

Principal Executive Officer
and President

DENMARK BANCSHARES, INC.

EXHIBIT (31.2)

CERTIFICATIONS

I, Dennis J. Heim, Vice President and Treasurer of Denmark Bancshares, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Denmark Bancshares, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2008

/s/ Dennis J. Heim

Dennis J. Heim
Vice President and Treasurer,
Principal Financial and
Accounting Officer

DENMARK BANCSHARES, INC.

EXHIBIT (32.1)

CERTIFICATIONS

Written Statement of the Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. ' 1350

Solely for the purposes of complying with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, we, the undersigned Chief Executive Officer and Chief Financial Officer of Denmark Bancshares, Inc. ("DBI"), hereby certify, based on their knowledge, that the Quarterly Report on Form 10-Q of DBI for the quarter ended September 30, 2008, (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of DBI.

/s/ John P. Olsen

John P. Olsen,
Principal Executive Officer
and President

/s/ Dennis J. Heim

Dennis J. Heim
Vice President and Treasurer,
Principal Financial and
Accounting Officer

Date: November 4, 2008