U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10 - QSB

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

For Quarter Ended June 30, 1996

Commission File Number 0-16587

South Branch Valley Bancorp, Inc.
(Exact name of small business issuer as specified in its charter)

West Virginia	55-0672148
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

310 North Main Street Moorefield, West Virginia	26836
(Address of principal executive offices)	(Zip Code)

(304) 538-2353
(Issuer's telephone number, including area code)

Check whether the issuer: (1) has filed all reports required by Section 13 or 15(d) of the Exchange Act of 1934 during the past 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

State the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

378,510 common shares were outstanding as of August 8, 1996.

Transitional Small Business Disclosure Format (Check one):
Yes No X

This report contains 16 pages.

SOUTH BRANCH VALLEY BANCORP, INC. AND SUBSIDIARY

INDEX

SOUTH BRANCH VALLEY BANCORP, INC., AND SUBSIDIARY

CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS	June 30, 1996 (Unaudited)	December 31, 1995 *
Cash and due from banks	$1,986,718	$2,191,647
Interest bearing deposits with other banks	1,949,000	2,134,919
Federal funds sold	60,777	2,161,745
Securities available for sale	32,290,947	31,480,580
Loans, net	75,125,994	70,598,398
Bank premises and equipment, net	3,130,864	3,180,351
Accrued interest receivable	1,044,507	983,841
Other assets	448,990	386,377
Total Assets	$116,037,797	$113,117,858
LIABILITIES		
Non-interest bearing deposits	$8,238,115	$7,832,774
Interest bearing deposits	91,820,287	92,213,562
Total deposits	100,058,402	100,046,336
Securities sold with agreement to repurchase	2,211,926	--
Long-term borrowings	1,725,382	750,000
Other liabilities	741,934	992,862
Total Liabilities	104,737,644	101,789,198
SHAREHOLDERS' EQUITY		
Common stock, $2.50 par value, authorized 600,000 shares, issued 382,625 shares	956,562	956,562
Surplus	685,534	685,534
Net unrealized gain (loss) on securities	(191,377)	340,650
Less cost of shares acquired for the treasury 1996, 4,115; and 1995, 4,115	(166,970)	(166,970)
Retained earnings	10,016,404	9,512,884
Total Shareholders' Equity	11,300,153	11,328,660
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$116,037,797	$113,117,858

* December 31, 1995 financial information has been extracted from audited financial statements.

See Notes to Condensed Consolidated Financial Statements

SOUTH BRANCH VALLEY BANCORP, INC., AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Three Months and Six Months ended June 30, 1996 and 1995
(Unaudited)

	Three Months Ended June 30, 1996	Three Months Ended June 30, 1995	Six Months Ended June 30, 1996	Six Months Ended June 30, 1995
Interest income:				
Interest and fees on loans	$1,836,100	$1,620,217	$3,633,917	$3,153,272
Interest on securities:				
Taxable	481,174	442,675	953,152	858,783
Tax-exempt	61,434	42,154	109,218	77,591
Interest on federal funds sold	12,534	22,689	35,791	31,940
Total interest income	2,391,242	2,127,735	4,732,078	4,121,586
Interest expense:				
Interest on deposits	1,159,445	1,001,550	2,300,068	1,865,903
Interest on federal funds purchased and securities sold under repo agmt	1,346	--	1,596	1,138
Interest on borrowings	25,910	1,242	46,885	27,364
Total interest expense	1,186,701	1,002,792	2,348,549	1,894,405
Net interest income	1,204,541	1,124,943	2,383,529	2,227,181
Provision for loan losses	15,000	25,000	25,000	50,000
Net interest income after provision for loan losses	1,189,541	1,099,943	2,358,529	2,177,181
Non-interest income:				
Insurance commissions	26,161	27,410	48,724	47,265
Trust department income	--	--	(8)	508
Service fee income	59,240	53,669	109,145	103,218
Securities gains (losses)	--	1,292	33,912	(1,855)
Other income	11,331	9,649	26,068	23,771
Total other income	96,732	92,020	217,841	172,907
Non-interest expense:				
Salaries and employee benefits	422,276	390,698	865,973	781,910
Net occupancy expense of premises	47,261	28,478	100,587	57,673
Equipment expense	52,236	40,528	100,042	81,322
FDIC insurance premiums	500	48,480	1,500	96,961
Other expenses	264,196	227,888	532,109	443,544
Total other expense	786,469	736,072	1,600,211	1,461,410
Income before income tax expense	499,804	455,891	976,159	888,678
Income tax expense	163,635	162,036	328,805	322,214
Net Income	$336,169	$293,855	$647,354	$566,464
Earnings per common share (Note2)	$0.89	$0.78	$1.71	$1.50
Dividends per common share	$0.38	$0.33	$0.38	$0.33

See Notes to Condensed Consolidated Financial Statements

SOUTH BRANCH VALLEY BANCORP, INC., AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six Months Ended June 30, 1996 and 1995
(Unaudited)

	Six Months Ended June 30, 1996	Six Months Ended June 30, 1995
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$647,354	$566,464
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation	112,204	74,434
Provision for loan losses	25,000	50,000
Securities (gains) losses	(33,911)	1,855
Provision for deferred income tax expense	70	30,189
(Increase) in accrued income receivable	(60,666)	(29,781)
Amortization of security premiums and (accretion of discounts), net	32,521	52,150
(Increase) decrease in other assets	57,122	(113,249)
Increase (decrease) in other liabilities	(37,675)	9,107
Net cash provided by operating activities	742,019	641,169
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from maturities of securities held to maturity	--	100,000
Purchases of securities held to maturity	--	(615,567)
Proceeds from sales of securities available for sale	2,209,305	970,000
Proceeds from maturities of securities available for sale	2,800,000	1,300,000
Purchases of securities available for sale	(6,982,712)	(4,181,186)
Principal payments received on securities held to maturity	--	174,090
Principal payments received on securities available for sale	299,345	57,517
(Increase) decrease in Federal funds sold, net	2,100,968	(658,030)
Principal collected on (loans to customers), net	(4,552,596)	(892,263)
(Purchase of) proceeds from interest bearing deposits with other banks	185,919	(392,108)
Purchase of Bank premises and equipment	(62,717)	(377,107)
Net cash provided by (used in) investing activities	(4,002,488)	(4,514,654)

Continued

See Notes to Condensed Consolidated Financial Statements

SOUTH BRANCH VALLEY BANCORP, INC., AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS - Continued
For the Six Months Ended June 30, 1996 and 1995
(Unaudited)

	Six Months Ended June 30, 1996	Six Months Ended June 30, 1995
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase (decrease) in demand deposits, NOW and savings accounts	(1,337,761)	2,661,492
Proceeds from sales of time deposits, net	1,349,827	3,111,865
Increase in securities sold with agreement to repurchase	2,211,926	--
Net increase (decrease) in other borrowings	975,382	(1,700,000)
Dividends paid	(143,834)	(124,908)
Net cash provided by (used in) financing activities	3,055,540	3,948,449
Increase (decrease) in cash and due from banks	(204,929)	74,964
Cash and due from banks:		
Beginning	2,191,647	2,152,919
Ending	$1,986,718	$2,227,883
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash payments for:		
Interest paid to depositors	$2,280,320	$1,797,117
Income taxes	$243,063	$371,502
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Other real estate acquired in settlement of loans	$0	$8,400

SOUTH BRANCH VALLEY BANCORP, INC., AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
For the Three Months and Six Months ended June 30, 1996 and 1995
(Unaudited)

	Three Months Ended	
	June 30, 1996	June 30, 1995
Balance, beginning of period	$11,401,205	$9,980,743
Net income	336,169	293,855
Cash dividends declared	(143,834)	(124,908)
Change in net unrealized gain (loss) on securities	(293,387)	363,141
Balance, June 30	$11,300,153	$10,512,831

	Six Months Ended	
	June 30, 1996	June 30, 1995
Balance, beginning of period	$11,328,660	$9,378,140
Net income	647,354	566,464
Cash dividends declared	(143,834)	(124,908)
Change in net unrealized gain (loss) on securities	(532,027)	693,135
Balance, June 30	$11,300,153	$10,512,831

See Notes to Condensed Consolidated Financial Statements

SOUTH BRANCH VALLEY BANCORP, INC. AND SUBSIDIARY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1. Basis of Presentation

The financial information included herein is unaudited; however, such information reflects all adjustments (consisting solely of normal recurring adjustments) which are, in the opinion of management, necessary for a fair statement of results for the interim periods.

The presentation of financial statements in conformity with generally accepted accounting procedures requires management to make estimates and assumptions that effect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

The results of operations for the six month period ended June 30, 1996 are not necessarily indicative of the results to be expected for the full year. The Condensed Consolidated Financial Statements and notes included herein should be read in conjunction with the Company's 1995 audited financial statements and Form 10-K.

Note 2. Earnings Per Share

Earnings per common share are computed based upon the weighted average shares outstanding. The weighted average shares outstanding were 378,510 at June 30, 1996 and 1995.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
INTRODUCTION AND SUMMARY

The following is Management's discussion and analysis of the financial condition and financial results of operations for South Branch Valley Bancorp, Inc. and its wholly owned subsidiary, South Branch Valley National Bank, as of June 30, 1996. Since the primary business activities of South Branch Valley Bancorp, Inc. are conducted through the Bank, this discussion focuses primarily on the financial condition and operations of the Bank.

Net income for the second quarter of 1996 was $336,000, a 14.3% increase from the second quarter earnings of 1995 which totaled $294,000. This translated to $.89 per share during the second quarter of 1996 compared to $.78 during the second quarter of 1995.

Net income for the six months ended June 30, 1996 totaled $647,000, which is an $81,000 or 14.3% increase from the $566,000 earned in the first six months of 1995. Annualized return on average assets for 1996 was 1.13% as compared to 1.15% at June 30, 1995. Earnings per share increased from $1.50 for the first six months of 1995 to $1.71 for the first six months of 1996.

RESULTS OF OPERATIONS

Net Interest Income
- - -------------------

For purposes of this discussion, the "taxable equivalent basis" adjustment has been included in interest income to reflect the level of income had income on state and municipal obligations exempt from Federal income tax been taxable, assuming a Federal tax rate of 34% in both 1996 and 1995. The amounts of tax equivalent adjustments were $25,000 in 1996 and $17,000 in 1995.

For the six months ended June 30, 1996, the Company's net interest income, as adjusted, increased $163,000 or 7.3% to $2,408,000 as compared with $2,245,000 for the six months ended June 30, 1995. However, the Company's net interest yield on earning assets decreased 28 basis points from 4.72% at June 30, 1995 to 4.44% for the six months ended June 30, 1996. A detailed analysis of the net interest yield is shown on Table I.

Provision for Loan Losses and Loan Quality
- - --

An allowance for loan losses is maintained by the Company and is funded through the provision for loan losses as a charge to current earnings. The allowance for loan losses is reviewed by management on a quarterly basis to determine that it is maintained at levels considered necessary to cover potential losses associated with the Bank's current loan portfolio. The Company's provision for loan losses for the first six months of this year totaled $25,000 compared to $50,000 for the six months ended June 30, 1995.

Net loan charge-offs for the first six months of 1996 were $33,000 as compared to $161,000 for the first six months of 1995. Expressed as a percentage of loans (net of unearned interest), net charge-offs (recoveries) were .04% for the first six months of 1996 compared to .25% for the comparable period of 1995.

South Branch Valley Bancorp, Inc. and Subsidiary

Table I - Average Distribution Of Assets, Liabilities And Shareholders' Equity, Interest Earnings & Expenses, And Average Rates
(In thousands of dollars)

	June 30, 1996			June 30, 1995		
	AVERAGE BALANCES	EARNINGS/ EXPENSE	YIELD/ RATE	AVERAGE BALANCES	EARNINGS/ EXPENSE	YIELD/ RATE
ASSETS						
Interest earning assets						
Loans, net of unearned interest	$73,444	$3,634	9.90%	$64,228	$3,153	9.82%
Securities						
Taxable	27,603	884	6.41%	25,412	798	6.28%
Tax-exempt	4,061	134	6.60%	2,685	95	7.08%
Interest bearing deposits with other banks	2,052	69	6.73%	1,813	61	6.73%
Federal Funds sold	1,318	36	5.46%	1,024	32	6.25%
Total interest earning assets	108,478	4,757	8.77%	95,162	4,139	8.70%
Noninterest earning assets	5,956			3,611		
Total assets	$114,434			$98,773		
LIABILITIES AND SHAREHOLDERS' EQUITY						
Liabilities						
Interest bearing liabilities						
Interest bearing demand deposits	$19,489	$331	3.40%	$16,749	$297	3.55%
Regular savings	15,972	285	3.57%	13,129	217	3.31%
Time savings	57,024	1,684	5.91%	49,902	1,352	5.42%
Short-term borrowings	20	1	6.38%	921	28	6.08%
Long-term borrowings	1,573	47	5.98%	--	--	--
Sec sold w/agmt to repur	48	1	4.17%	--	--	--
	94,126	2,349	4.99%	80,701	1,894	4.69%
Noninterest bearing liabilities						
Demand deposits	8,191			7,618		
Other liabilities	866			628		
Total liabilities	103,183			88,947		
Shareholders' equity	11,251			9,826		
Total liabilities and shareholders'equity	$114,434			$98,773		
NET INTEREST EARNINGS		$2,408			$2,245	
NET INTEREST YIELD ON EARNING ASSETS			4.44%			4.72%

The total of non-performing assets and loans past due 90 days or more and still accruing interest has remained relatively stable during the past 12 months, and management has no knowledge that would lead them to believe that such assets will increase substantially during the remainder of 1996.

Summary of Past Due Loans and Non-Performing Assets

	June 30 1996	June 30 1995	December 31 1995
Loans contractually past due 90 days or more and still accruing interest	$ 159	$ 102	$ 260
Non-performing assets:			
Non-accruing Loans	$ 450	$ 950	$ 538
Other Real Estate Owned	40	31	40
	$ 491	$ 981	$ 578

At June 30, 1996, the allowance for loan losses totaled $852,000 or 1.1% of net loans compared to $860,000 or 1.2% of net loans at December 31, 1995. While there may be some loans or portions of loans identified as potential problem credits which are not specifically identified as either non-accrual or accruing loans past due 90 or more days, they are considered by management to be insignificant to the overall disclosure and are therefore not specifically quantified within the Management's Discussion and Analysis.

Non-interest Income

Total other income increased approximately $45,000 or 26.0% during the first six months of 1996, as compared to the first six months of 1995. A detailed discussion of non-interest expense components follows.

Service fee income increased from approximately $103,000 to $109,000 or 5.8%. Management believes the Company will be able to maintain levels of service fee income similar to this throughout the remainder of 1996.

Net realized gains on securities increased by approximately $36,000 for the six month period ended June 30, 1996 as compared with the six month period ended June 30, 1995.

Non-interest Expense

Total non-interest expense increased approximately $139,000 or 9.5% during the first six months of 1996 as compared to the first six months of 1995. A more detailed discussion of non-interest expense components follows:

An increase of approximately $84,000 or 10.7% in salaries and employee benefits can be attributed to a general increase in salaries and a slight increase in insurance costs. Also contributing to this increase was the purchase of the Petersburg branch in November 1995. This new branch increased our number of full time employees by 9.6% from 52 employees before the purchase to 57 employees after the purchase.

Net occupancy expense increased approximately $43,000 to $101,000 or 74.1% from 1995 to 1996. Equipment expense also increased 23.5% from approximately $81,000 for the period ending June 30,1995 to $100,000 for the period ending June 30, 1996. These increases were expected and planned for by management due to the purchase of the Petersburg branch during the fourth quarter of 1995 and the recently completed renovation and addition to the Company's home office in Moorefield.

Due to the decrease in the semi-annual rate of deposit insurance from $.115 per hundred dollars of deposits to a minimum assessment of $1,000, FDIC insurance premiums decreased approximately $95,000 for the first six months of 1996 as compared to the first six months of 1995.

Other expenses increased approximately $88,000 or 19.8% from $444,000 to $532,000 during the first six months of 1996 compared to 1995. The major factors contributing to this increase are as follows:

** During the first six months of 1996 the bank did a computer conversion and experienced some one time expenses. Data processing expense increased 73.0% from approximately $37,000 in 1995 to $64,000 in 1996. ATM expense increased from $7,000 to $16,000 or 128.6%. Management does not expect these large increases to expenses to continue.

** Associated with the acquisition of the new branch in Petersburg was the creation of a new expense, Amortized goodwill. This expense has totaled $19,000 thus far in 1996.

** Credit card expense increased 60.0% from $15,000 in 1995 to $24,000 in 1996. This increase is the result of an increase in the fees charged by Visa and MasterCard and the Bank's processor.

** The bank's strong loan demand required more credit reports which increased credit reference fees from $9,000 in 1995 to $13,000 in 1996, an increase of 44.4%.

Liquidity
- - ---------

Liquidity in commercial banking can be defined as the ability to satisfy customer loan demand and meet deposit withdrawals while maximizing net interest income. The Company's primary sources of funds are deposits and principal and interest payments on loans. Additional funds are provided by maturities of securities. The Company uses ratio analysis to monitor the changes in its sources and uses of funds so that an adequate liquidity position is maintained. At June 30, 1996 the loan to deposit ratio was 75.1% as compared to 70.6% at June 30, 1995. Cash and due from banks coupled with Federal funds sold totaled $2,047,000 or 1.8% of total assets. Additionally, securities and interest bearing deposits with other banks maturing within one year approximated $5,043,000 or 4.4% of total assets. Management believes that the liquidity of the company is adequate and foresees no demands or conditions that would adversely affect it.

FINANCIAL CONDITION

The Company's total assets have increased approximately 2.6% or $2.9 million from December 31, 1995. The overall composition of the Company's assets has not changed significantly since December of 1995.

Total deposits have changed very little since December 31, 1995. In the Bank's never ending quest to provide better service to all of it's customer base, the Bank began a new service on June 30, 1996. This service is called securities sold under agreement to repurchase. Federal law prohibits the payment of interest on corporate demand accounts. In order to be more competitive and to better serve it's corporate customers, the Bank was pleased to be able to offer this new service. The Bank has set aside a group of U. S. Agency securities for these repurchase agreements. These repurchase agreements totaled $2,212,000 on June 30, 1996 with a yield of 4.17%.

The Company's total shareholders' equity has decreased approximately $29,000 or .26% since December 31, 1995. This decrease is primarily due to a decrease in net unrealized gain on securities by approximately $293,000. This decrease was due to changes in market interest rates as opposed to a decline in the underlying quality of the Company's investments portfolio. The Company's equity to total assets ratio was 9.7% at June 30, 1996 compared to 10.0% at December 31, 1995. The Company's subsidiary bank's risk weighted capital ratio was approximately 16.4% at June 30, 1996, and is well within Federal regulatory guidelines. The Company is not aware of any pending Federal regulation which would have a material negative impact on its operations at this point in time.

PART II

Item 4 - Submissions of Matters to a Vote of Security Holders

On April 16, 1996 the annual meeting of South Branch Valley Bancorp, Inc. was held to (1) elect five directors for a three year term, (2) ratify the election of Arnett & Foster as the Company's independent certified public accountants for the fiscal year ending December 31, 1996, and (3) to transact such other business to come before the meeting.

The following persons received the number of votes opposite their names for directors of the Company:

Donald W. Biller	247,648
John W. Crites	247,648
Jeffrey E. Hott	247,892
Russell F. Ratliff, Jr.	247,649
Harry C. Welton	247,648

Total number of shares voted was 247,837, of which all were voted by proxy and none were voted in person.

The firm of Arnett & Foster was ratified to serve as the Company's independent certified public accountants by a vote of 247,657 for, none against, and 180 abstentions.

There were no other matters to come before the annual meeting.

Item 6 - Exhibits and Reports on Form 8-K

A. Exhibit - Financial Data Schedule required by Part I Item 601 of Regulation S-B.

B. No reports on Form 8-K were filed by the Company during the quarter ended June 30, 1996.

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.

South Branch Valley Bancorp, Inc.
(registrant)

By:

H. Charles Maddy, III, President and
Chief Financial Officer

By:

Russell F. Ratliff, Jr., Treasurer

Date: August 5, 1996

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.

South Branch Valley Bancorp, Inc.
(registrant)

By: /s/ H. Charles Maddy, III

H. Charles Maddy, III, President and
Chief Financial Officer

By: /s/ Russell F. Ratliff, Jr.

Russell F. Ratliff, Jr.
Treasurer

Date: August 5, 1996

9
0000811808
SOUTH BRANCH VALLEY NATIONAL BANK

6-MOS
DEC-31-1996
JAN-01-1996
JUN-30-1996
1,986,718
1,949,000
60,777
0
32,290,947
0
0
75,977,505
(851,511)
116,037,797
100,058,042
0
2,953,860
1,725,382
0
0
956,562
10,343,591
116,037,797
3,633,917
1,017,923
80,238
4,732,078
2,300,068
2,348,549
2,383,529
25,000
33,912
1,600,211
976,159
647,354
0
0
647,354
1.71
1.71
4.40
450,157
159,074
55,068
1,352,040
859,681
42,871
9,701
851,511
851,511
0
0