

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-2224

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name CATALYST BIOSCIENCES, INC.		2 Issuer's employer identification number (EIN) 56-2020050	
3 Name of contact for additional information FLETCHER PAYNE	4 Telephone No. of contact (650) 266-8654	5 Email address of contact FPAYNE@CATBIO.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 260 LITTLEFIELD AVE		7 City, town, or post office, state, and Zip code of contact SOUTH SAN FRANCISCO, CA 94080	
8 Date of action FEBRUARY 10, 2017		9 Classification and description COMMON STOCK - 1-FOR-15 REVERSE STOCK SPLIT	
10 CUSIP number 14888D208	11 Serial number(s) N/A	12 Ticker symbol CBIO	13 Account number(s) N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► CATALYST BIOSCIENCES, INC. ("CBIO") EFFECTED A REVERSE STOCK SPLIT OF ITS SHARES OF COMMON STOCK AT A RATIO OF ONE-FOR-FIFTEEN. THE NUMBER OF SHARES OF CBIO'S COMMON STOCK OUTSTANDING DECREASED FROM APPROXIMATELY 13.0 MILLION PRE-SPLIT SHARES TO APPROXIMATELY 868,000 POST-SPLIT SHARES. THE REVERSE STOCK SPLIT WAS EFFECTIVE AS OF FRIDAY, FEBRUARY 10, 2017 AT 5:00PM EST, AND CBIO'S COMMON STOCK BEGAN TRADING ON A SPLIT-ADJUSTED BASIS AT THE OPENING OF TRADING ON MONDAY, FEBRUARY 13, 2017. THE CUSIP NUMBER CHANGED FROM 14888D109 TO 14888D208.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► THE NUMBER OF SHARES HELD BY EACH STOCKHOLDER WERE REDUCED BY DIVIDING THE NUMBER OF SHARES HELD IMMEDIATELY BEFORE THE REVERSE STOCK SPLIT BY THE ONE-FOR-FIFTEEN RATIO. CBIO DID NOT ISSUE FRACTIONAL SHARES. INSTEAD, CBIO PAID CASH IN LIEU OF ANY FRACTIONAL INTEREST IN A SHARE TO WHICH SUCH STOCKHOLDER WOULD OTHERWISE BE ENTITLED TO AS A RESULT OF THE REVERSE STOCK SPLIT.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► THE POST-SPLIT BASIS PER SHARE IS EQUAL TO THE PRE-SPLIT BASIS PER SHARE TIMES FIFTEEN (15). WHILE THE BASIS PER SHARE IS IMPACTED, THE BASIS OF STOCKHOLDER'S TOTAL INVESTMENT REMAINS UNCHANGED.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► THE REVERSE STOCK SPLIT IS A NON-TAXABLE RECAPITALIZATION PURSUANT TO SECTION 368(a)(1)(E) OF THE INTERNAL REVENUE CODE. SECTION 354(a)(1) PROVIDES THAT, IN RELEVANT PART, NO GAIN OR LOSS SHALL BE RECOGNIZED IF STOCK IN A CORPORATION IS EXCHANGED SOLELY FOR STOCK IN SUCH CORPORATION. SECTION 358(a) PROVIDES THAT, IN RELEVANT PART, THE TAX BASIS OF STOCK IN A CORPORATION RECEIVED IN AN EXCHANGE WILL BE THE SAME AS THE TAX BASIS IN THE STOCK EXCHANGED. TAX TREATMENT OF THE RECEIPT OF CASH IN LIEU OF FRACTIONAL SHARES IS TESTED UNDER SECTION 302 AND WILL DEPEND ON EACH STOCKHOLDER'S SPECIFIC FACTS AND CIRCUMSTANCES.

18 Can any resulting loss be recognized? ► THE REVERSE STOCK SPLIT SHOULD NOT RESULT IN A TAXABLE TRANSACTION, EXCEPT FOR STOCKHOLDERS RECEIVING CASH IN LIEU OF FRACTIONAL SHARES THAT QUALIFY FOR SALE OR EXCHANGE TREATMENT PURSUANT TO THE TESTS UNDER SECTION 302, WHICH MAY QUALIFY FOR LOSS RECOGNITION WHERE THE TAX BASIS ALLOCATED TO THE FRACTIONAL SHARES WAS GREATER THAN THE CASH PAYMENTS RECEIVED FOR THOSE SHARES, SUBJECT TO OTHER RELEVANT PROVISIONS OF THE INTERNAL REVENUE CODE REGARDING LOSS RECOGNITION LIMITATION.

A STOCKHOLDER WHO RECEIVES CASH IN LIEU OF A FRACTIONAL SHARE PURSUANT TO THE REVERSE STOCK SPLIT SHOULD RECOGNIZE CAPITAL GAIN OR LOSS IN AN AMOUNT EQUAL TO THE DIFFERENCE BETWEEN THE AMOUNT OF CASH RECEIVED AND THE STOCKHOLDER'S TAX BASIS IN THE SHARES OF CBIO'S STOCK SURRENDERED. SUCH CAPITAL GAIN OR LOSS SHOULD BE LONG TERM IF THE STOCKHOLDER'S HOLDING PERIOD IN THE SHARES OF CBIO STOCK SURRENDERED EXCEEDED ONE YEAR AT THE EFFECTIVE DATE OF THE REVERSE STOCK SPLIT.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► THE REPORTABLE TAX YEAR IS 2017 FOR CALENDAR YEAR TAXPAYERS. FOR STOCKHOLDERS REPORTING ON A BASIS OTHER THAN CALENDAR YEAR, THE REPORTABLE TAX YEAR IS THE TAX YEAR THAT INCLUDES FEBRUARY 10, 2017.

THE TAX TREATMENT OF A STOCKHOLDER MAY VARY DEPENDING ON THE PARTICULAR FACTS AND CIRCUMSTANCES. EACH STOCKHOLDER IS URGED TO CONSULT WITH THE STOCKHOLDER'S OWN TAX ADVISOR WITH RESPECT TO THE CONSEQUENCES OF THE REVERSE STOCK SPLIT.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ►



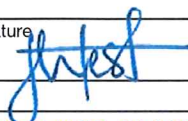
Date ►

Print your name ► **FLETCHER PAYNE**Title ► **CFO****Paid Preparer Use Only**

Print/Type preparer's name

JULIE WEST

Preparer's signature



Date

Check ☐ if self-employed

PTIN

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Firm's EIN ►

81-4234542Firm's address ► **2000 UNIVERSITY AVE #201, EAST PALO ALTO, CA 94303**

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Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054