

ANNUAL REPORT

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST

December 31, 2022



FRANKLIN
TEMPLETON

Franklin Templeton Variable Insurance Products Trust Annual Report

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*Not part of the annual report. Retain for your records.

| | | |
|-------------------------|-----------------------|--------------------------|
| Not FDIC Insured | May Lose Value | No Bank Guarantee |
|-------------------------|-----------------------|--------------------------|

Important Notes to Performance Information

Performance data is historical and cannot predict or guarantee future results. Principal value and investment return will fluctuate with market conditions, and you may have a gain or loss when you withdraw your money. Inception dates of the funds may have preceded the effective dates of the subaccounts, contracts or their availability in all states.

When reviewing the index comparisons, please keep in mind that indexes have a number of inherent performance differentials over the funds. First, unlike the funds, which must hold a minimum amount of cash to maintain liquidity, indexes do not have a cash component. Second, the funds are actively managed and, thus, are subject to management fees to cover salaries of securities analysts or portfolio managers in addition to other expenses. Indexes are unmanaged and do not include any commissions or other expenses typically associated with investing in securities. Third, indexes often contain a different mix of securities than the fund to which they are compared. Additionally, please remember that indexes are simply a measure of performance and cannot be invested in directly.

Templeton Global Bond VIP Fund

This annual report for Templeton Global Bond VIP Fund covers the fiscal year ended December 31, 2022.

Class 2 Performance Summary as of December 31, 2022

Average annual total return of Class 2 shares* represents the average annual change in value, assuming reinvestment of dividends and capital gains. Average returns smooth out variations in returns, which can be significant; they are not the same as year-by-year results.

| Share Class | Average Annual Total Return |
|--------------------|------------------------------------|
| 2 | |
| 1-Year | -4.95% |
| 5-Year | -2.32% |
| 10-Year | -0.78% |

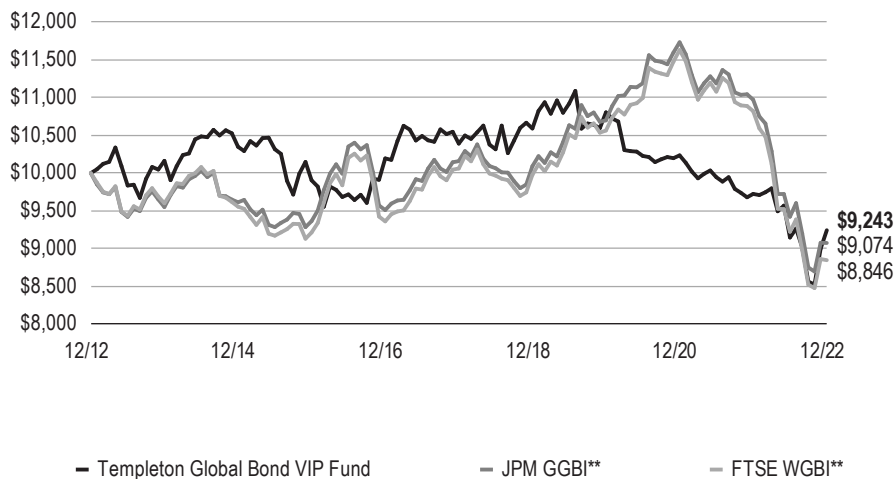
*Gross expenses are the Fund's total annual operating expenses and are sourced from the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns. Net expenses reflect contractual fee waivers, expense caps and/or reimbursements, which cannot be terminated prior to 4/30/23 without Board consent.

Performance reflects the Fund's Class 2 operating expenses, but does not include any contract fees, expenses or sales charges. If they had been included, performance would be lower. These charges and deductions, particularly for variable life policies, can have a significant effect on contract values and insurance benefits. See the contract prospectus for a complete description of these expenses, including sales charges.

Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown.

Total Return Index Comparison for a Hypothetical \$10,000 Investment (12/31/12–12/31/22)

The graph below shows the change in value of a hypothetical \$10,000 investment in the Fund over the indicated period and includes reinvestment of any income or distributions. The Fund's performance* is compared to the performance of the JP Morgan (JPM) Global Government Bond Index (GGBI) and FTSE World Government Bond Index (WGBI). One cannot invest directly in an index, and an index is not representative of the Fund's portfolio. **Please see Important Notes to Performance Information preceding the Fund Summaries.**



**Source: FactSet. Please see Index Descriptions following the Fund Summaries.

Templeton Global Bond VIP Fund

Fund Goal and Main Investments

The Fund seeks high current income, consistent with preservation of capital. Capital appreciation is a secondary consideration. Under normal market conditions, the Fund invests at least 80% of its net assets in bonds, which include debt securities of any maturity, such as bonds, notes, bills and debentures.

Fund Risks

All investments involve risks, including possible loss of principal. Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance. Derivatives, including currency management strategies, involve costs and can create economic leverage in the portfolio which may result in significant volatility and cause the Fund to participate in losses on an amount that exceeds the Fund's initial investment. The Fund may not achieve the anticipated benefits, and may realize losses when a counterparty fails to perform as promised. The markets for particular securities or types of securities are or may become relatively illiquid. Reduced liquidity will have an adverse impact on the security's value and on the Fund's ability to sell such securities when necessary to meet the Fund's liquidity needs or in response to a specific market event. Foreign securities involve special risks, including currency fluctuations (which may be significant over the short term) and economic and political uncertainties; investments in emerging markets involve heightened risks related to the same factors. Sovereign debt securities are subject to various risks in addition to those relating to debt securities and foreign securities generally, including, but not limited to, the risk that a government entity may be unwilling or unable to pay interest and repay principal on its sovereign debt, or otherwise meet its obligations when due. Investments in lower-rated bonds include higher risk of default and loss of principal. Bond prices generally move in the opposite direction of interest rates. As the prices of bonds in the Fund adjust to a rise in interest rates, the Fund's share price may decline. Changes in the financial strength of a bond issuer or in a bond's credit rating may affect its value. The manager's portfolio selection strategy is not solely based on ESG considerations, and therefore the issuers in which the Fund invests may not be considered ESG-focused companies. Integrating ESG considerations into the investment process is not a guarantee that better performance will be achieved. The Fund is actively managed but there is no guarantee that the manager's investment decisions will produce the desired

results. The Fund's prospectus also includes a description of the main investment risks.

Russia's military invasion of Ukraine in February 2022, the resulting responses by the United States and other countries, and the potential for wider conflict could increase volatility and uncertainty in the financial markets and adversely affect regional and global economies. The United States and other countries have imposed broad-ranging economic sanctions on Russia and certain Russian individuals, banking entities and corporations as a response to its invasion of Ukraine. The United States and other countries have also imposed economic sanctions on Belarus and may impose sanctions on other countries that support Russia's military invasion. These sanctions, as well as any other economic consequences related to the invasion, such as additional sanctions, boycotts or changes in consumer or purchaser preferences or cyberattacks on governments, companies or individuals, may further decrease the value and liquidity of certain Russian securities and securities of issuers in other countries that are subject to economic sanctions related to the invasion.

Performance Overview

You can find the Fund's one-year total return in the Performance Summary. For comparison, the J.P. Morgan Global Government Bond Index posted a -17.31% total return, and the FTSE World Government Bond Index posted a -18.26% total return for the same period.¹

Economic and Market Overview

Over the 12-month period ending December 31, 2022, as prospects were improving for the global economy, which was emerging from the worst of the pandemic slowdown, Russia invaded Ukraine, precipitating a war, in late February 2022. The dominant themes of the year under review—high inflation, tighter monetary policy, rising bond yields, a stronger U.S. dollar (USD), and weakening global growth—were thus in the shadow of (and in some instances exacerbated by) the war.

Inflation rates pushed higher over the year, with energy and food prices, after Russia's invasion of Ukraine, a significant impetus. Inflation across many countries showed similar patterns, whereby the upcycle was spurred by these factors and then spread wider into core measures, often reaching a multi-decade or multi-year high along the way, while headline

1. Source: Morningstar. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio. Please see Index Descriptions following the Fund Summaries.

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI).

inflation started to peak and recede nearer year-end as the effects of the food and energy price spikes dissipated.

Geographic Composition

12/31/22

| | % of Total Net Assets |
|---|----------------------------------|
| Asia | 30.0% |
| North America | 22.5% |
| Latin America & Caribbean | 9.1% |
| Europe | 4.2% |
| Other | 0.8% |
| Short-Term Investments & Other Net Assets | 33.4% |

Sovereign bond yields rose sharply over most of the year on the combination of the withdrawal of direct market support from central banks, rising inflation, rising policy rates, and increasingly hawkish central bank commentary. U.S. Treasury (UST) and other bond yields surged to multi-year highs during the period, but a number of markets saw bond yields end the year below their peaks.

The USD gained significantly against almost all other currencies in 2022, supported by hawkish U.S. Federal Reserve (Fed) policy, and growth differentials were in favor of the U.S. (as U.S. growth benefited from post-pandemic reopening/normalization), while continued COVID-19 lockdowns disadvantaged Asian growth and the war affected growth in Europe, amid continued geopolitical concerns. As some of these factors started to moderate towards year-end, the USD slid off its highs of 2022, while still ending the year 8.2% stronger, according to the U.S. Dollar Index (DXY), than where it began.

Investment Strategy

We invest selectively in bonds around the world based upon our assessment of changing market, political and economic conditions. While seeking opportunities, we monitor various factors including changes in interest rates, currency exchange rates and credit risks. We seek to manage the Fund's exposure to various currencies and regularly enter into various currency-related derivative instruments, such as currency and cross-currency forwards, currency and currency index futures contracts and currency options.

Manager's Discussion

In bonds, we continued to maintain low portfolio duration, while aiming at a high overall portfolio yield by holding what we believe to be compelling risk-adjusted yields in various local-currency bond markets, specifically in countries with resilient economies and strong trade dynamics. We were

significantly underweight developed market duration in the U.S. and the euro area (less so later in the year), with a preference for the higher yields available in select emerging market local-currency bonds, notably including Indonesia, India, Thailand, Brazil, and Colombia.

At the beginning of the period, the Fund held overweight positions in specific currencies against the USD and the euro. In Asia, we held notable exposures to the South Korean won, Chinese yuan, Indonesian rupiah, Indian rupee and Singapore dollar, while holding an underweight in the Japanese yen. We closed our exposure to the Japanese yen in March 2022, primarily due to expected depreciation pressures on the currency from widening rate differentials with the U.S. During the third quarter 2022, after it had subsequently weakened significantly, we re-established a position in the Japanese yen, and reduced exposure in the Chinese yuan, Indonesian rupiah and Singapore dollar. We added to the yen position in the fourth quarter 2022. In April 2022, we had exited our underweight position in the Australian dollar which had been used to hedge against emerging market beta risks, as we anticipated rising commodity prices to support the currency.

In EMEA (Europe, Middle East and Africa), the Fund initially held overweight positions in the Norwegian krone and the Swedish krona against the euro. We added a position in the British pound against the euro in April 2022. We closed the Swedish krona position in the third quarter 2022 and exited our British pound position in the fourth quarter 2022. We reduced our short in the euro during the third and fourth quarters, given that the currency had already weakened significantly. We also reduced our Ghanaian cedi exposure in the fourth quarter 2022.

In the Americas, we started the period holding long exposures to the Brazilian real, Colombian peso, Chilean peso and Argentine peso against the USD, and long exposure to the Canadian dollar against the euro. During the fourth quarter 2022, we closed our position in the Argentine peso. During the third quarter 2022, we reduced our bond exposure in Mexico but took on a new position during the fourth quarter. We added to and extended duration in our Colombian peso position, and also extended duration in Brazil during the fourth quarter 2022.

During the period, we used currency forwards and currency options to actively manage currency exposures, as well as using interest-rate swaps to manage duration risk.

Over the period, the Fund's negative absolute performance was primarily due to currency positions. Interest-rate strategies and sovereign credit exposures had a neutral

effect. Among currencies, positions in the South Korean won, Indonesian rupiah, Chinese yuan, Indian rupee, Colombian peso, Argentine peso and Ghanaian cedi detracted from absolute performance. However, the Fund's position in the euro (net negative for much of the period) and tactical positioning in the Japanese yen were positive contributors to absolute results. The Fund's position in USTs detracted from absolute results, while its duration exposures in Argentina and Brazil contributed.

On a relative basis, during the period under review, the Fund's performance fared better than that of its benchmark index primarily due to interest-rate strategies, followed by currency positions. Sovereign credit exposures had a largely neutral effect on relative results. The Fund maintained duration exposures primarily in select emerging markets. A lack of duration exposure in the euro area contributed to relative performance, as did underweighted duration exposures in the U.S., the U.K. and Japan. Overweighted duration exposures in Argentina and Brazil also contributed to relative results. Among currencies, tactical positioning in the Japanese yen contributed to relative performance, as did the Fund's underweighted exposure to the euro and its overweighted position in the Brazilian real. However, overweighted positions in the Colombian peso, Argentine peso, Indonesian rupiah, South Korean won, Chinese yuan, Indian rupee and Ghanaian cedi detracted from relative results.

Thank you for your participation in Templeton Global Bond VIP Fund. We look forward to serving your future investment needs.

The foregoing information reflects our analysis, opinions and portfolio holdings as of December 31, 2022, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.

Class 2 Fund Expenses

As an investor in a variable insurance contract (Contract) that indirectly provides for investment in an underlying mutual fund, you can incur transaction and/or ongoing expenses at both the Fund level and the Contract Level: (1) transaction expenses can include sales charges (loads) on purchases, surrender fees, transfer fees and premium taxes; and (2) ongoing expenses can include management fees, distribution and service (12b-1) fees, contract fees, annual maintenance fees, mortality and expense risk fees and other fees and expenses. All mutual funds and Contracts have some types of ongoing expenses. The table below shows Fund-level ongoing expenses and can help you understand these costs and compare them with those of other mutual funds offered through the Contract. The table assumes a \$1,000 investment held for the six months indicated. Please refer to the Fund prospectus for additional information on operating expenses.

Actual Fund Expenses

The table below provides information about the actual account values and actual expenses in the columns under the heading “Actual.” In these columns the Fund’s actual return, which includes the effect of ongoing Fund expenses but does not include the effect of ongoing Contract expenses, is used to calculate the “Ending Account Value.” You can estimate the Fund-level expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by \$1,000 (*if your account had an \$8,600 value, then $\$8,600 \div \$1,000 = 8.6$*). Then multiply the result by the number under the headings “Actual” and “Fund-Level Expenses Paid During Period” (*if Fund-Level Expenses Paid During Period were \$7.50, then $8.6 \times \$7.50 = \64.50*). In this illustration, the estimated expenses paid this period at the Fund level are \$64.50.

Hypothetical Example for Comparison with Other Mutual Funds

Under the heading “Hypothetical” in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other mutual funds offered through the Contract. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds offered through the Contract.

Please note that expenses shown in the table are meant to highlight ongoing costs at the Fund level only and do not reflect any ongoing expenses at the Contract level, or transaction expenses at either the Fund or Contract levels. In addition, while the Fund does not have transaction expenses, if the transaction and ongoing expenses at the Contract level were included, the expenses shown below would be higher. You should consult your Contract prospectus or disclosure document for more information.

| Share Class | Beginning Account Value 7/1/22 | Actual (actual return after expenses) | | Hypothetical (5% annual return before expenses) | | Net Annualized Expense Ratio ² |
|-------------|--------------------------------|--|---|--|---|---|
| | | Ending Account Value 12/31/22 | Fund-Level Expenses Paid During Period 7/1/22–12/31/22 ^{1,2} | Ending Account Value 12/31/22 | Fund-Level Expenses Paid During Period 7/1/22–12/31/22 ^{1,2} | |
| 2 | \$1,000 | \$1,010.50 | \$3.63 | \$1,021.59 | \$3.65 | 0.72% |

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 184/365 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements. Does not include any ongoing expenses of the Contract for which the Fund is an investment option or acquired fund fees and expenses.

**SUPPLEMENT DATED DECEMBER 23, 2022
TO THE CURRENTLY EFFECTIVE PROSPECTUSES
OF EACH FUND LISTED BELOW**

**FRANKLIN ALLOCATION VIP FUND
FRANKLIN DYNATECH VIP FUND
FRANKLIN GLOBAL REAL ESTATE VIP FUND
FRANKLIN GROWTH AND INCOME VIP FUND
FRANKLIN INCOME VIP FUND
FRANKLIN LARGE CAP GROWTH VIP FUND
FRANKLIN RISING DIVIDENDS VIP FUND
FRANKLIN SMALL-MID CAP GROWTH VIP FUND
FRANKLIN STRATEGIC INCOME VIP FUND
FRANKLIN U.S. GOVERNMENT SECURITIES VIP FUND
FRANKLIN VOLSMART ALLOCATION VIP FUND
TEMPLETON DEVELOPING MARKETS VIP FUND
TEMPLETON FOREIGN VIP FUND
TEMPLETON GLOBAL BOND VIP FUND
TEMPLETON GROWTH VIP FUND**

(a series of Franklin Templeton Variable Insurance Products Trust)

I. For Franklin Allocation VIP Fund, Franklin Global Real Estate VIP Fund, Franklin Income VIP Fund, Franklin Strategic Income VIP Fund and Franklin VolSmart Allocation VIP Fund, the “ESG Considerations” risk in the “Fund Details – Principal Risks” section of the prospectus is replaced with the following:

ESG Considerations

ESG considerations are one of a number of factors that the investment manager examines when considering investments for the Fund’s portfolio. In light of this, the issuers in which the Fund invests may not be considered ESG-focused issuers and may have lower or adverse ESG assessments. Consideration of ESG factors may affect the Fund’s exposure to certain issuers or industries and may not work as intended. In addition, ESG considerations assessed as part of the Fund’s investment process may vary across types of eligible investments and issuers. The investment manager does not assess every investment for ESG factors and, when it does, not every ESG factor may be identified or evaluated. The investment manager’s assessment of an issuer’s ESG factors is subjective and will likely differ from that of investors, third party service providers (e.g., ratings providers) and other funds. As a result, securities selected by the investment manager may not reflect the beliefs and values of any particular investor. The investment manager also may be dependent on the availability of timely, complete and accurate ESG data reported by issuers and/or third-party research providers, the timeliness, completeness and accuracy of which is out of the investment manager’s control. ESG factors are often not uniformly measured or defined, which could impact the investment manager’s ability to assess an issuer. While the investment manager views ESG considerations as having the potential to contribute to the Fund’s long-term performance, there is no guarantee that such results will be achieved.

II. For Franklin Dynatech VIP Fund, Franklin Growth and Income VIP Fund, Franklin Large Cap Growth VIP Fund, Franklin Rising Dividends VIP Fund, Franklin Small-Mid Cap Growth VIP Fund, Templeton Developing Markets VIP Fund, Templeton Global Bond VIP Fund, Templeton Foreign VIP Fund and Templeton Growth VIP Fund, the “ESG Considerations” risk in the “Fund Details – Principal Risks” section of the prospectus is replaced with the following:

ESG Considerations

ESG considerations are one of a number of factors that the investment manager examines when considering investments for the Fund’s portfolio. In light of this, the issuers in which the Fund invests may not be considered ESG-focused issuers and may have lower or adverse ESG assessments. Consideration of ESG factors may affect

the Fund's exposure to certain issuers or industries and may not work as intended. In addition, ESG considerations assessed as part of the Fund's investment process may vary across types of eligible investments and issuers. In certain circumstances, there may be times when not every investment is assessed for ESG factors and, when they are, not every ESG factor may be identified or evaluated. The investment manager's assessment of an issuer's ESG factors is subjective and will likely differ from that of investors, third party service providers (e.g., ratings providers) and other funds. As a result, securities selected by the investment manager may not reflect the beliefs and values of any particular investor. The investment manager also may be dependent on the availability of timely, complete and accurate ESG data reported by issuers and/or third-party research providers, the timeliness, completeness and accuracy of which is out of the investment manager's control. ESG factors are often not uniformly measured or defined, which could impact the investment manager's ability to assess an issuer. While the investment manager views ESG considerations as having the potential to contribute to the Fund's long-term performance, there is no guarantee that such results will be achieved.

III. For Franklin U.S. Government Securities VIP Fund, the "ESG Considerations" risk in the "Fund Details – Principal Risks" section of the prospectus is replaced with the following:

Social and Governance Considerations

Social and/or governance considerations are not the only factors considered by the investment manager and may not be a determinative factor in the investment manager's selection of securities for the Fund. In addition, the investment manager may not be able to give such considerations meaningful weight if the availability of appropriate securities for the Fund's portfolio is limited. The investment manager does not assess every investment for ESG factors and, when it does, not every ESG factor may be identified or evaluated. The investment manager's assessment of certain investments may differ from that of investors, third party service providers, such as ratings providers, or other funds. While the investment manager views social and governance considerations as having the potential to contribute to the Fund's performance, there is no guarantee that such results will be achieved.

Please keep this supplement with your prospectus for future reference.

Financial Highlights

Templeton Global Bond VIP Fund

| | Year Ended December 31, | | | | |
|---|-------------------------|--------------------|------------------|-----------|-----------|
| | 2022 | 2021 | 2020 | 2019 | 2018 |
| Class 1 | | | | | |
| Per share operating performance | | | | | |
| (for a share outstanding throughout the year) | | | | | |
| Net asset value, beginning of year | \$13.82 | \$14.49 | \$16.63 | \$17.54 | \$17.17 |
| Income from investment operations ^a : | | | | | |
| Net investment income ^b | 0.47 | 0.48 | 0.52 | 0.89 | 0.88 |
| Net realized and unrealized gains (losses) | (1.14) | (1.15) | (1.31) | (0.54) | (0.51) |
| Total from investment operations | (0.67) | (0.67) | (0.79) | 0.35 | 0.37 |
| Less distributions from: | | | | | |
| Net investment income and net foreign currency gains | — | — | (1.35) | (1.26) | — |
| Tax return of capital | — | — | (—) ^c | — | — |
| Total distributions | — | — | (1.35) | (1.26) | — |
| Net asset value, end of year | \$13.15 | \$13.82 | \$14.49 | \$16.63 | \$17.54 |
| Total return ^d | (4.85)% | (4.62)% | (4.73)% | 1.89% | 2.15% |
| Ratios to average net assets | | | | | |
| Expenses before waiver and payments by affiliates and expense reduction | 0.50% | 0.51% | 0.51% | 0.53% | 0.56% |
| Expenses net of waiver and payments by affiliates | 0.48% | 0.50% | 0.46% | 0.44% | 0.47% |
| Expenses net of waiver and payments by affiliates and expense reduction | 0.48% ^e | 0.50% ^e | 0.45% | 0.42% | 0.45% |
| Net investment income | 3.56% | 3.42% | 3.43% | 5.22% | 5.09% |
| Supplemental data | | | | | |
| Net assets, end of year (000's) | \$153,423 | \$204,318 | \$224,704 | \$322,794 | \$285,046 |
| Portfolio turnover rate | 14.78% | 27.65% | 52.84% | 22.58% | 18.22% |

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned, adjustments to interest income for the inflation-indexed bonds, and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cAmount rounds to less than \$0.01 per share.

^dTotal return does not include fees, charges or expenses imposed by the variable annuity and life insurance contracts for which Franklin Templeton Variable Insurance Products Trust serves as an underlying investment vehicle.

^eBenefit of expense reduction rounds to less than 0.01%.

Templeton Global Bond VIP Fund (continued)

| | Year Ended December 31, | | | | |
|---|-------------------------|--------------------|------------------|-------------|-------------|
| | 2022 | 2021 | 2020 | 2019 | 2018 |
| Class 2 | | | | | |
| Per share operating performance | | | | | |
| (for a share outstanding throughout the year) | | | | | |
| Net asset value, beginning of year | \$13.13 | \$13.82 | \$15.91 | \$16.83 | \$16.51 |
| Income from investment operations ^a : | | | | | |
| Net investment income ^b | 0.41 | 0.43 | 0.46 | 0.82 | 0.81 |
| Net realized and unrealized gains (losses) | (1.07) | (1.12) | (1.24) | (0.53) | (0.49) |
| Total from investment operations | (0.66) | (0.69) | (0.78) | 0.29 | 0.32 |
| Less distributions from: | | | | | |
| Net investment income and net foreign currency gains | — | — | (1.31) | (1.21) | — |
| Tax return of capital | — | — | (—) ^c | — | — |
| Total distributions | — | — | (1.31) | (1.21) | — |
| Net asset value, end of year | \$12.47 | \$13.13 | \$13.82 | \$15.91 | \$16.83 |
| Total return ^d | (4.95)% | (4.99)% | (4.92)% | 1.63% | 1.94% |
| Ratios to average net assets | | | | | |
| Expenses before waiver and payments by affiliates and expense reduction | 0.75% | 0.76% | 0.75% | 0.78% | 0.81% |
| Expenses net of waiver and payments by affiliates | 0.73% | 0.75% | 0.71% | 0.69% | 0.72% |
| Expenses net of waiver and payments by affiliates and expense reduction | 0.73% ^e | 0.75% ^e | 0.70% | 0.67% | 0.70% |
| Net investment income | 3.31% | 3.17% | 3.16% | 4.97% | 4.84% |
| Supplemental data | | | | | |
| Net assets, end of year (000's) | \$1,527,997 | \$1,859,619 | \$2,022,487 | \$2,389,610 | \$2,544,900 |
| Portfolio turnover rate | 14.78% | 27.65% | 52.84% | 22.58% | 18.22% |

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned, adjustments to interest income for the inflation-indexed bonds, and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cAmount rounds to less than \$0.01 per share.

^dTotal return does not include fees, charges or expenses imposed by the variable annuity and life insurance contracts for which Franklin Templeton Variable Insurance Products Trust serves as an underlying investment vehicle.

^eBenefit of expense reduction rounds to less than 0.01%.

Templeton Global Bond VIP Fund (continued)

| | Year Ended December 31, | | | | |
|---|-------------------------|--------------------|------------------|----------|----------|
| | 2022 | 2021 | 2020 | 2019 | 2018 |
| Class 4 | | | | | |
| Per share operating performance | | | | | |
| (for a share outstanding throughout the year) | | | | | |
| Net asset value, beginning of year | \$13.46 | \$14.17 | \$16.27 | \$17.19 | \$16.88 |
| Income from investment operations ^a : | | | | | |
| Net investment income ^b | 0.41 | 0.42 | 0.46 | 0.82 | 0.81 |
| Net realized and unrealized gains (losses) | (1.10) | (1.13) | (1.27) | (0.55) | (0.50) |
| Total from investment operations | (0.69) | (0.71) | (0.81) | 0.27 | 0.31 |
| Less distributions from: | | | | | |
| Net investment income and net foreign currency gains | — | — | (1.29) | (1.19) | — |
| Tax return of capital | — | — | (—) ^c | — | — |
| Total distributions | — | — | (1.29) | (1.19) | — |
| Net asset value, end of year | \$12.77 | \$13.46 | \$14.17 | \$16.27 | \$17.19 |
| Total return ^d | (5.13)% | (5.01)% | (5.00)% | 1.48% | 1.84% |
| Ratios to average net assets | | | | | |
| Expenses before waiver and payments by affiliates and expense reduction | 0.85% | 0.86% | 0.85% | 0.88% | 0.91% |
| Expenses net of waiver and payments by affiliates | 0.83% | 0.85% | 0.81% | 0.79% | 0.82% |
| Expenses net of waiver and payments by affiliates and expense reduction | 0.83% ^e | 0.85% ^e | 0.80% | 0.77% | 0.80% |
| Net investment income | 3.21% | 3.07% | 3.06% | 4.87% | 4.74% |
| Supplemental data | | | | | |
| Net assets, end of year (000's) | \$55,577 | \$71,454 | \$76,771 | \$90,272 | \$94,312 |
| Portfolio turnover rate | 14.78% | 27.65% | 52.84% | 22.58% | 18.22% |

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned, adjustments to interest income for the inflation-indexed bonds, and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cAmount rounds to less than \$0.01 per share.

^dTotal return does not include fees, charges or expenses imposed by the variable annuity and life insurance contracts for which Franklin Templeton Variable Insurance Products Trust serves as an underlying investment vehicle.

^eBenefit of expense reduction rounds to less than 0.01%.

Schedule of Investments, December 31, 2022

Templeton Global Bond VIP Fund

| | Principal Amount ¹ | | Value |
|---|----------------------------------|-----|--------------|
| Foreign Government and Agency Securities 44.1% | | | |
| Brazil 2.9% | | | |
| Brazil Notas do Tesouro Nacional, | | | |
| 10%, 1/01/27 | 233,800,000 | BRL | \$40,947,433 |
| 10%, 1/01/31 | 51,840,000 | BRL | 8,592,535 |
| | | | 49,539,968 |
| Colombia 4.5% | | | |
| Colombia Government Bond, | | | |
| Senior Bond, 4.375%, 3/21/23 | 362,000,000 | COP | 73,365 |
| Senior Bond, 9.85%, 6/28/27 | 576,000,000 | COP | 105,220 |
| Colombia Titulos de Tesoreria, | | | |
| B, 10%, 7/24/24 | 60,059,300,000 | COP | 12,071,978 |
| B, 6.25%, 11/26/25 | 82,468,000,000 | COP | 14,578,675 |
| B, 7.5%, 8/26/26 | 134,196,600,000 | COP | 23,685,787 |
| B, 5.75%, 11/03/27 | 55,276,000,000 | COP | 8,648,731 |
| B, 6%, 4/28/28 | 49,809,600,000 | COP | 7,689,268 |
| B, 7.75%, 9/18/30 | 37,868,000,000 | COP | 5,889,108 |
| ^a B, 7%, 3/26/31 | 17,210,500,000 | COP | 2,514,466 |
| B, 7%, 6/30/32 | 24,227,000,000 | COP | 3,409,655 |
| B, 6.25%, 7/09/36 | 2,311,000,000 | COP | 275,676 |
| | | | 78,941,929 |
| Ghana 0.8% | | | |
| Ghana Government Bond, | | | |
| 16.5%, 2/06/23 | 7,700,000 | GHS | 760,250 |
| 19%, 9/18/23 | 150,000 | GHS | 13,280 |
| 18.85%, 9/28/23 | 21,190,000 | GHS | 1,864,950 |
| 19.25%, 11/27/23 | 1,350,000 | GHS | 115,822 |
| 19.25%, 12/18/23 | 110,000 | GHS | 9,350 |
| 17.7%, 3/18/24 | 1,080,000 | GHS | 86,271 |
| 19.75%, 3/25/24 | 26,840,000 | GHS | 2,184,724 |
| 18.3%, 3/02/26 | 690,000 | GHS | 40,676 |
| 19%, 11/02/26 | 80,510,000 | GHS | 4,490,243 |
| 19.75%, 3/15/32 | 80,510,000 | GHS | 3,414,607 |
| Senior Note, 18.5%, 1/02/23 | 70,000 | GHS | 7,007 |
| Senior Note, 20.75%, 1/16/23 | 120,000 | GHS | 12,007 |
| Senior Note, 17.6%, 2/20/23 | 3,310,000 | GHS | 324,564 |
| Senior Note, 17.25%, 7/31/23 | 210,000 | GHS | 18,897 |
| | | | 13,342,648 |
| India 4.3% | | | |
| India Government Bond, | | | |
| 8.83%, 11/25/23 | 858,100,000 | INR | 10,555,071 |
| 8.2%, 9/24/25 | 297,100,000 | INR | 3,680,335 |
| 7.59%, 1/11/26 | 1,629,000,000 | INR | 19,925,323 |
| 7.27%, 4/08/26 | 214,000,000 | INR | 2,594,448 |
| Senior Bond, 5.77%, 8/03/30 | 526,000,000 | INR | 5,795,987 |
| Senior Note, 5.22%, 6/15/25 | 313,000,000 | INR | 3,630,285 |
| Senior Note, 5.15%, 11/09/25 | 2,459,900,000 | INR | 28,236,475 |
| | | | 74,417,924 |
| Indonesia 8.0% | | | |
| Indonesia Government Bond, | | | |
| FR40, 11%, 9/15/25 | 46,856,000,000 | IDR | 3,358,647 |
| FR46, 9.5%, 7/15/23 | 113,970,000,000 | IDR | 7,489,828 |
| FR81, 6.5%, 6/15/25 | 599,166,000,000 | IDR | 38,872,128 |

Templeton Global Bond VIP Fund (continued)

| | Principal Amount ^a | Value |
|--|----------------------------------|--------------------|
| Foreign Government and Agency Securities (continued) | | |
| Indonesia (continued) | | |
| Indonesia Government Bond, (continued) | | |
| FR86, 5.5%, 4/15/26 | 1,421,313,000,000 IDR | \$89,565,316 |
| | | <u>139,285,919</u> |
| Mexico 1.7% | | |
| Mexican Bonos Desarr Fixed Rate, | | |
| M, 7.5%, 5/26/33 | 502,500,000 MXN | 23,066,734 |
| M 20, Senior Bond, 8.5%, 5/31/29 | 114,900,000 MXN | 5,738,706 |
| | | <u>28,805,440</u> |
| Norway 4.2% | | |
| ^b Norway Government Bond, | | |
| Senior Bond, 144A, Reg S, 2%, 5/24/23 | 315,007,000 NOK | 32,013,469 |
| Senior Bond, 144A, Reg S, 3%, 3/14/24 | 265,052,000 NOK | 27,006,155 |
| Senior Bond, 144A, Reg S, 1.75%, 3/13/25 | 89,312,000 NOK | 8,861,384 |
| Senior Bond, 144A, Reg S, 1.5%, 2/19/26 | 52,969,000 NOK | 5,158,163 |
| | | <u>73,039,171</u> |
| South Korea 14.8% | | |
| Korea Monetary Stabilization Bond, Senior Note, 0.905%, 4/02/23 | | |
| | 59,690,000,000 KRW | 47,099,971 |
| Korea Treasury Bonds, | | |
| 2.25%, 9/10/23 | 88,312,000,000 KRW | 69,427,589 |
| 0.875%, 12/10/23 | 22,287,000,000 KRW | 17,229,270 |
| 1.875%, 3/10/24 | 33,811,000,000 KRW | 26,279,369 |
| 1.375%, 9/10/24 | 75,881,910,000 KRW | 57,953,174 |
| 3%, 9/10/24 | 18,500,000,000 KRW | 14,515,107 |
| Senior Note, 1.75%, 9/10/26 | 34,133,000,000 KRW | 25,232,412 |
| | | <u>257,736,892</u> |
| Thailand 2.9% | | |
| Thailand Government Bond, | | |
| 0.75%, 9/17/24 | 745,020,000 THB | 21,262,729 |
| 1%, 6/17/27 | 570,140,000 THB | 15,818,331 |
| Senior Note, 0.66%, 11/22/23 | 481,230,000 THB | 13,820,091 |
| | | <u>50,901,151</u> |
| Total Foreign Government and Agency Securities (Cost \$914,798,445) | | 766,011,042 |
| U.S. Government and Agency Securities 22.5% | | |
| United States 22.5% | | |
| U.S. Treasury Notes, | | |
| 1.5%, 10/31/24 | 49,660,000 | 47,059,639 |
| 1.5%, 11/30/24 | 50,420,000 | 47,719,773 |
| 1.75%, 12/31/24 | 22,672,000 | 21,524,230 |
| 2%, 2/15/25 | 49,140,000 | 46,767,459 |
| 2.125%, 5/15/25 | 58,760,000 | 55,856,430 |
| 2.875%, 5/31/25 | 76,680,000 | 74,148,961 |
| 2.625%, 12/31/25 | 44,803,000 | 42,853,370 |
| 1.625%, 2/15/26 | 24,220,000 | 22,407,284 |

Templeton Global Bond VIP Fund (continued)

| | Principal Amount ^f | Value |
|--|----------------------------------|------------------------|
| U.S. Government and Agency Securities (continued) | | |
| United States (continued) | | |
| U.S. Treasury Notes, (continued) | | |
| 2.125%, 5/31/26 | 11,063,000 | \$10,354,277 |
| 1.625%, 10/31/26 | 24,220,000 | 22,113,049 |
| | | <u>390,804,472</u> |
| Total U.S. Government and Agency Securities (Cost \$419,788,367) | | 390,804,472 |
| Total Long Term Investments (Cost \$1,334,586,812) | | 1,156,815,514 |
| Short Term Investments 31.1% | | |
| | Principal Amount ^f | Value |
| Foreign Government and Agency Securities 22.2% | | |
| Brazil 6.9% | | |
| ^c Brazil Letras do Tesouro Nacional, | | |
| 1/01/24 | 58,010,000 BRL | 9,686,791 |
| 7/01/24 | 190,140,000 BRL | 30,000,223 |
| 1/01/25 | 539,800,000 BRL | 80,429,114 |
| | | <u>120,116,128</u> |
| Japan 11.1% | | |
| ^c Japan Treasury Bills, | | |
| 1/25/23 | 3,079,000,000 JPY | 23,455,396 |
| 2/27/23 | 7,158,100,000 JPY | 54,538,859 |
| 5/10/23 | 7,176,000,000 JPY | 54,689,689 |
| 9/20/23 | 7,869,100,000 JPY | 59,981,695 |
| | | <u>192,665,639</u> |
| Singapore 4.2% | | |
| ^c Singapore Treasury Bills, | | |
| 1/24/23 | 45,410,000 SGD | 33,817,021 |
| 5/30/23 | 52,270,000 SGD | 38,345,545 |
| | | <u>72,162,566</u> |
| Total Foreign Government and Agency Securities (Cost \$378,786,097) | | 384,944,333 |
| | <u>Shares</u> | |
| Money Market Funds 8.9% | | |
| United States 8.9% | | |
| ^{d,e} Institutional Fiduciary Trust - Money | | |
| Market Portfolio, 3.782% | 154,512,860 | 154,512,860 |
| Total Money Market Funds (Cost \$154,512,860) | | 154,512,860 |
| Total Short Term Investments (Cost \$533,298,957) | | 539,457,193 |
| Total Investments (Cost \$1,867,885,769) 97.7% | | \$1,696,272,707 |
| Other Assets, less Liabilities 2.3% | | 40,724,716 |
| Net Assets 100.0% | | \$1,736,997,423 |

Templeton Global Bond VIP Fund (continued)

The principal amount is stated in U.S. dollars unless otherwise indicated.

^aA portion or all of the security purchased on a delayed delivery basis. See Note 1(c).

^bSecurity was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At December 31, 2022, the aggregate value of these securities was \$73,039,171, representing 4.2% of net assets.

^cThe security was issued on a discount basis with no stated coupon rate.

^dSee Note 3(e) regarding investments in affiliated management investment companies.

^eThe rate shown is the annualized seven-day effective yield at period end.

At December 31, 2022, the Fund had the following forward exchange contracts outstanding. See Note 1(d).

Forward Exchange Contracts

| Currency | Counter-party ^a | Type | Quantity | Contract Amount [*] | Settlement Date | Unrealized Appreciation | Unrealized Depreciation |
|---------------------------------------|----------------------------|------|----------------|------------------------------|-----------------|-------------------------|-------------------------|
| OTC Forward Exchange Contracts | | | | | | | |
| Chinese Yuan | CITI | Buy | 125,329,450 | 18,699,469 | 1/11/23 | \$— | \$(579,550) |
| Euro | HSBK | Buy | 10,540,000 | 10,969,326 | 1/11/23 | 318,689 | — |
| Euro | HSBK | Sell | 10,540,000 | 10,367,249 | 1/11/23 | — | (920,767) |
| Indian Rupee | HSBK | Buy | 241,380,400 | 2,996,132 | 1/11/23 | — | (80,035) |
| Indian Rupee | JPHQ | Buy | 266,347,200 | 3,229,860 | 1/11/23 | — | (12,141) |
| South Korean Won | MSCO | Buy | 69,910,000,000 | 53,354,194 | 1/17/23 | 2,175,669 | — |
| South Korean Won | JPHQ | Buy | 16,905,000,000 | 12,963,036 | 1/18/23 | 464,893 | — |
| Euro | DBAB | Sell | 9,770,816 | 104,016,200 SEK | 1/19/23 | — | (493,852) |
| Swedish Krona | DBAB | Sell | 104,016,200 | 9,841,893 EUR | 1/19/23 | 570,019 | — |
| Chilean Peso | GSCO | Buy | 3,510,200,000 | 3,648,857 | 1/20/23 | 480,086 | — |
| Chilean Peso | JPHQ | Buy | 3,325,445,264 | 3,370,099 | 1/24/23 | 539,338 | — |
| Euro | BZWS | Buy | 18,568,000 | 19,561,722 | 1/25/23 | 345,178 | — |
| Euro | BZWS | Sell | 18,568,000 | 18,413,514 | 1/25/23 | — | (1,493,386) |
| Euro | DBAB | Buy | 24,397,000 | 25,664,446 | 1/25/23 | 491,772 | — |
| Euro | DBAB | Sell | 24,397,000 | 26,885,584 | 1/25/23 | 729,367 | — |
| South Korean Won | CITI | Buy | 8,470,100,000 | 6,497,469 | 1/25/23 | 231,170 | — |
| Euro | MSCO | Sell | 65,094,973 | 677,628,900 NOK | 1/27/23 | — | (566,043) |
| Canadian Dollar | HSBK | Buy | 89,690,000 | 66,955,738 | 2/03/23 | — | (702,737) |
| Canadian Dollar | HSBK | Sell | 89,690,000 | 64,107,855 EUR | 2/03/23 | 2,524,467 | — |
| Euro | HSBK | Sell | 69,094,565 | 91,488,460 CAD | 2/03/23 | — | (6,545,907) |
| Euro | MSCO | Buy | 7,875,000 | 8,315,197 | 2/06/23 | 135,072 | — |
| Euro | MSCO | Sell | 28,424,500 | 29,364,271 | 2/06/23 | — | (1,136,637) |
| Chilean Peso | JPHQ | Buy | 5,487,100,000 | 6,127,757 | 2/09/23 | 307,947 | — |
| Euro | JPHQ | Sell | 2,406,810 | 25,140,000 SEK | 2/13/23 | — | (168,987) |
| Swedish Krona | JPHQ | Sell | 25,140,000 | 2,391,598 EUR | 2/13/23 | 152,656 | — |
| Indian Rupee | HSBK | Buy | 242,055,750 | 2,893,604 | 2/14/23 | 25,236 | — |
| Chilean Peso | JPHQ | Buy | 3,325,454,736 | 3,865,235 | 2/15/23 | 31,490 | — |
| Chilean Peso | GSCO | Buy | 8,834,202,936 | 9,667,545 | 2/21/23 | 674,612 | — |
| Chilean Peso | MSCO | Buy | 6,390,810,000 | 6,983,347 | 2/21/23 | 498,342 | — |
| Japanese Yen | BOFA | Buy | 4,218,690,870 | 30,537,031 | 2/22/23 | 1,813,055 | — |
| Chilean Peso | GSCO | Buy | 2,307,250,000 | 2,731,767 | 3/07/23 | — | (36,682) |
| Chinese Yuan | BOFA | Buy | 208,726,460 | 30,272,148 | 3/07/23 | 35,907 | — |
| Chilean Peso | GSCO | Buy | 11,671,960,973 | 13,004,970 | 3/15/23 | 609,532 | — |
| Chinese Yuan | JPHQ | Buy | 109,163,880 | 15,817,414 | 3/15/23 | 43,069 | — |
| Euro | BOFA | Sell | 6,642,716 | 8,949,000 CAD | 3/15/23 | — | (532,384) |
| Euro | CITI | Sell | 5,235,472 | 7,054,790 CAD | 3/15/23 | — | (418,407) |
| Euro | DBAB | Sell | 4,642,414 | 46,872,600 NOK | 3/15/23 | — | (194,762) |
| Euro | GSCO | Sell | 1,230,811 | 1,213,887 | 3/15/23 | — | (110,088) |
| Indian Rupee | CITI | Buy | 590,870,000 | 7,108,125 | 3/15/23 | 16,567 | (15,892) |
| Indian Rupee | JPHQ | Buy | 205,911,800 | 2,484,457 | 3/15/23 | — | (7,117) |
| Japanese Yen | BNDP | Buy | 2,097,874,660 | 14,973,044 | 3/15/23 | 1,159,862 | — |

Templeton Global Bond VIP Fund (continued)

Forward Exchange Contracts (continued)

| Currency | Counter-party ^a | Type | Quantity | Contract Amount* | Settlement Date | Unrealized Appreciation | Unrealized Depreciation |
|--|----------------------------|------|----------------|------------------|-----------------|-------------------------|-------------------------|
| OTC Forward Exchange Contracts (continued) | | | | | | | |
| Japanese Yen | BOFA | Buy | 7,460,672,540 | 53,268,640 | 3/15/23 | \$4,104,820 | \$— |
| Japanese Yen | GSCO | Buy | 9,155,000,000 | 63,054,132 | 3/15/23 | 7,348,908 | — |
| Japanese Yen | JPHQ | Buy | 2,202,609,690 | 15,721,023 | 3/15/23 | 1,217,307 | — |
| New Zealand Dollar | BOFA | Buy | 10,600,000 | 6,371,130 | 3/15/23 | 363,102 | — |
| New Zealand Dollar | CITI | Buy | 12,470,000 | 7,987,347 | 3/15/23 | — | (65,095) |
| New Zealand Dollar | JPHQ | Buy | 47,380,000 | 28,504,992 | 3/15/23 | 1,595,753 | — |
| Singapore Dollar | CITI | Buy | 4,670,000 | 3,455,548 | 3/15/23 | 34,915 | — |
| Singapore Dollar | MSCO | Buy | 10,540,000 | 7,435,259 | 3/15/23 | 442,573 | — |
| South Korean Won | BNDP | Buy | 71,267,400,000 | 51,452,891 | 3/15/23 | 5,231,916 | — |
| Indian Rupee | HSBK | Buy | 875,000,000 | 10,831,219 | 3/23/23 | — | (313,980) |
| South Korean Won | HSBK | Buy | 1,788,000,000 | 1,293,122 | 3/23/23 | 129,452 | — |
| Euro | BZWS | Sell | 8,713,000 | 9,677,486 | 4/25/23 | 280,245 | — |
| Euro | DBAB | Sell | 24,278,000 | 24,204,535 | 4/25/23 | — | (1,980,040) |
| Euro | HSBK | Sell | 19,207,597 | 26,135,009 CAD | 5/03/23 | — | (1,400,946) |
| Chinese Yuan | CITI | Buy | 284,452,570 | 41,332,234 | 6/07/23 | 258,498 | — |
| Indian Rupee | JPHQ | Buy | 1,225,430,400 | 14,638,122 | 6/14/23 | 5,189 | — |
| Japanese Yen | DBAB | Buy | 9,711,052,240 | 72,400,354 | 6/15/23 | 3,286,704 | — |
| Chilean Peso | GSCO | Buy | 4,513,615,115 | 4,518,185 | 7/26/23 | 654,368 | — |
| Mexican Peso | MSCO | Buy | 35,649,000 | 1,686,329 | 8/04/23 | 71,649 | — |
| Mexican Peso | MSCO | Sell | 35,649,000 | 1,613,442 | 8/04/23 | — | (144,537) |
| Mexican Peso | CITI | Buy | 106,418,000 | 5,019,214 | 10/23/23 | 153,722 | — |
| Mexican Peso | CITI | Sell | 106,418,000 | 4,633,013 | 10/23/23 | — | (539,923) |
| Mexican Peso | MSCO | Buy | 107,315,000 | 4,723,862 | 9/03/24 | 257,257 | — |
| Mexican Peso | MSCO | Sell | 107,315,000 | 4,562,422 | 9/03/24 | — | (418,697) |
| Total Forward Exchange Contracts | | | | | | \$39,810,373 | \$(18,878,592) |
| Net unrealized appreciation (depreciation) | | | | | | \$20,931,781 | |

¹In U.S. dollars unless otherwise indicated.

^aMay be comprised of multiple contracts with the same counterparty, currency and settlement date.

At December 31, 2022, the Fund had the following interest rate swap contracts outstanding. See Note 1(d).

Interest Rate Swap Contracts

| Description | Payment Frequency | Counter-party | Maturity Date | Notional Amount* | Value | Unamortized Upfront Payments (Receipts) | Unrealized Appreciation (Depreciation) |
|--|-------------------|---------------|---------------|------------------|------------|---|--|
| Centrally Cleared Swap Contracts | | | | | | | |
| Receive Fixed 4.422% | Annual | | | | | | |
| Pay Floating 1-day SOFR | Annual | | 12/14/24 | 19,880,000 | \$(27,371) | \$— | \$(27,371) |
| Receive Fixed 4.416% | Annual | | | | | | |
| Pay Floating 1-day SOFR | Annual | | 1/03/25 | 19,880,000 | (16,362) | — | (16,362) |
| Total Interest Rate Swap Contracts | | | | | \$(43,733) | \$— | \$(43,733) |

¹In U.S. dollars unless otherwise indicated.

See Note 11 regarding other derivative information.

See Abbreviations on page TGB-32.

Statement of Assets and Liabilities

December 31, 2022

| | Templeton Global Bond VIP Fund |
|---|---|
| Assets: | |
| Investments in securities: | |
| Cost - Unaffiliated issuers | \$1,713,372,909 |
| Cost - Non-controlled affiliates (Note 3e) | 154,512,860 |
| Value - Unaffiliated issuers | \$1,541,759,847 |
| Value - Non-controlled affiliates (Note 3e) | 154,512,860 |
| Cash | 576,382 |
| Restricted cash for OTC derivative contracts (Note 1e) | 10,339,170 |
| Receivables: | |
| Capital shares sold | 162,568 |
| Interest | 13,294,335 |
| Deposits with brokers for: | |
| OTC derivative contracts | 9,390,000 |
| Centrally cleared swap contracts | 513,023 |
| Unrealized appreciation on OTC forward exchange contracts | 39,810,373 |
| Total assets | <u>1,770,358,558</u> |
| Liabilities: | |
| Payables: | |
| Investment securities purchased | 690,542 |
| Capital shares redeemed | 1,611,768 |
| Management fees | 613,466 |
| Distribution fees | 337,378 |
| Trustees' fees and expenses | 930 |
| Variation margin on centrally cleared swap contracts | 29,992 |
| Deposits from brokers for: | |
| OTC derivative contracts | 10,339,170 |
| Unrealized depreciation on OTC forward exchange contracts | 18,878,592 |
| Deferred tax | 165,047 |
| Accrued expenses and other liabilities | 694,250 |
| Total liabilities | <u>33,361,135</u> |
| Net assets, at value | <u>\$1,736,997,423</u> |
| Net assets consist of: | |
| Paid-in capital | \$2,158,610,548 |
| Total distributable earnings (losses) | <u>(421,613,125)</u> |
| Net assets, at value | <u>\$1,736,997,423</u> |

Statement of Assets and Liabilities (continued)

December 31, 2022

| | Templeton Global Bond VIP Fund |
|--|---|
| Class 1: | |
| Net assets, at value | \$153,423,316 |
| Shares outstanding | 11,664,226 |
| Net asset value and maximum offering price per share | <u>\$13.15</u> |
| Class 2: | |
| Net assets, at value | \$1,527,996,714 |
| Shares outstanding | 122,495,107 |
| Net asset value and maximum offering price per share | <u>\$12.47</u> |
| Class 4: | |
| Net assets, at value | \$55,577,393 |
| Shares outstanding | 4,353,708 |
| Net asset value and maximum offering price per share | <u>\$12.77</u> |

Statement of Operations

for the year ended December 31, 2022

| | Templeton Global Bond VIP Fund |
|---|---|
| Investment income: | |
| Dividends: | |
| Non-controlled affiliates (Note 3e) | \$1,561,290 |
| Interest: (net of foreign taxes of \$2,414,678) | |
| Unaffiliated issuers: | |
| Inflation principal adjustments | 14,992,565 |
| Paid in cash ^a | 58,988,969 |
| Total investment income | <u>75,542,824</u> |
| Expenses: | |
| Management fees (Note 3a) | 8,665,057 |
| Distribution fees: (Note 3c) | |
| Class 2 | 4,091,301 |
| Class 4 | 216,829 |
| Custodian fees (Note 4) | 767,404 |
| Reports to shareholders fees | (321,129) |
| Professional fees | 125,471 |
| Trustees' fees and expenses | 21,625 |
| Other | 112,141 |
| Total expenses | <u>13,678,699</u> |
| Expense reductions (Note 4) | (7,493) |
| Expenses waived/paid by affiliates (Note 3e) | <u>(398,493)</u> |
| Net expenses | <u>13,272,713</u> |
| Net investment income | <u>62,270,111</u> |
| Realized and unrealized gains (losses): | |
| Net realized gain (loss) from: | |
| Investments: (net of foreign taxes of \$564,287) | |
| Unaffiliated issuers | (249,410,063) |
| Written options | 3,904,388 |
| Foreign currency transactions | (7,128,221) |
| Forward exchange contracts | (1,254,506) |
| Net realized gain (loss) | <u>(253,888,402)</u> |
| Net change in unrealized appreciation (depreciation) on: | |
| Investments: | |
| Unaffiliated issuers | 70,363,088 |
| Translation of other assets and liabilities denominated in foreign currencies | 10,562 |
| Written options | (2,493,739) |
| Forward exchange contracts | 19,339,887 |
| Swap contracts | (43,733) |
| Change in deferred taxes on unrealized appreciation | 1,189,542 |
| Net change in unrealized appreciation (depreciation) | <u>88,365,607</u> |
| Net realized and unrealized gain (loss) | <u>(165,522,795)</u> |
| Net increase (decrease) in net assets resulting from operations | <u>\$(103,252,684)</u> |

^aIncludes amortization of premium and accretion of discount.

Statements of Changes in Net Assets

| | Templeton Global Bond VIP Fund | |
|---|---|---|
| | Year Ended December 31, 2022 | Year Ended December 31, 2021 |
| Increase (decrease) in net assets: | | |
| Operations: | | |
| Net investment income | \$62,270,111 | \$71,596,289 |
| Net realized gain (loss) | (253,888,402) | (185,608,767) |
| Net change in unrealized appreciation (depreciation) | 88,365,607 | 238,289 |
| Net increase (decrease) in net assets resulting from operations | (103,252,684) | (113,774,189) |
| Capital share transactions: (Note 2) | | |
| Class 1 | (41,188,071) | (9,857,158) |
| Class 2 | (241,650,752) | (63,558,697) |
| Class 4 | (12,302,406) | (1,380,150) |
| Total capital share transactions | (295,141,229) | (74,796,005) |
| Net increase (decrease) in net assets | (398,393,913) | (188,570,194) |
| Net assets: | | |
| Beginning of year | 2,135,391,336 | 2,323,961,530 |
| End of year | <u>\$1,736,997,423</u> | <u>\$2,135,391,336</u> |

Notes to Financial Statements

Templeton Global Bond VIP Fund

1. Organization and Significant Accounting Policies

Franklin Templeton Variable Insurance Products Trust (Trust) is registered under the Investment Company Act of 1940 (1940 Act) as an open-end management investment company, consisting of eighteen separate funds. The Trust follows the accounting and reporting guidance in Financial Accounting Standards Board (FASB) Accounting Standard Codification Topic 946, Financial Services – Investment Companies (ASC 946) and applies the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP), including, but not limited to, ASC 946. Templeton Global Bond VIP Fund (Fund) is included in this report. Shares of the Fund are generally sold only to insurance company separate accounts to fund the benefits of variable life insurance policies or variable annuity contracts. The Fund offers three classes of shares: Class 1, Class 2 and Class 4. Each class of shares may differ by its distribution fees, voting rights on matters affecting a single class and its exchange privilege.

The following summarizes the Fund's significant accounting policies.

a. Financial Instrument Valuation

The Fund's investments in financial instruments are carried at fair value daily. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Fund calculates the net asset value (NAV) per share each business day as of 4 p.m. Eastern time or the regularly scheduled close of the New York Stock Exchange (NYSE), whichever is earlier. Under compliance policies and procedures approved by the Trust's Board of Trustees (the Board), the Board has designated the Fund's investment manager as the valuation designee and has responsibility for oversight of valuation. The investment manager is assisted by the Fund's administrator in performing this responsibility, including leading the cross-functional Valuation Committee (VC). The Fund may utilize independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

Debt securities generally trade in the over-the-counter (OTC) market rather than on a securities exchange. The Fund's pricing services use multiple valuation techniques to determine fair value. In instances where sufficient market activity exists, the pricing services may utilize a

market-based approach through which quotes from market makers are used to determine fair value. In instances where sufficient market activity may not exist or is limited, the pricing services also utilize proprietary valuation models which may consider market characteristics such as benchmark yield curves, credit spreads, estimated default rates, anticipated market interest rate volatility, coupon rates, anticipated timing of principal repayments, underlying collateral, and other unique security features in order to estimate the relevant cash flows, which are then discounted to calculate the fair value. Securities denominated in a foreign currency are converted into their U.S. dollar equivalent at the foreign exchange rate in effect at 4 p.m. Eastern time on the date that the values of the foreign debt securities are determined.

Investments in open-end mutual funds are valued at the closing NAV.

Certain derivative financial instruments are centrally cleared or trade in the OTC market. The Fund's pricing services use various techniques including industry standard option pricing models and proprietary discounted cash flow models to determine the fair value of those instruments. The Fund's net benefit or obligation under the derivative contract, as measured by the fair value of the contract, is included in net assets.

The Fund has procedures to determine the fair value of financial instruments for which market prices are not reliable or readily available. Under these procedures, the Fund primarily employs a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, and other relevant information for the investment to determine the fair value of the investment. An income-based valuation approach may also be used in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

b. Foreign Currency Translation

Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the exchange rate of such currencies against U.S. dollars on the date of valuation. The Fund may

Templeton Global Bond VIP Fund (continued)

1. Organization and Significant Accounting Policies

(continued)

b. Foreign Currency Translation (continued)

enter into foreign currency exchange contracts to facilitate transactions denominated in a foreign currency. Purchases and sales of securities, income and expense items denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the transaction date. Portfolio securities and assets and liabilities denominated in foreign currencies contain risks that those currencies will decline in value relative to the U.S. dollar. Occasionally, events may impact the availability or reliability of foreign exchange rates used to convert the U.S. dollar equivalent value. If such an event occurs, the foreign exchange rate will be valued at fair value using procedures established and approved by the Board.

The Fund does not separately report the effect of changes in foreign exchange rates from changes in market prices on securities held. Such changes are included in net realized and unrealized gain or loss from investments in the Statement of Operations.

Realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the recorded amounts of dividends, interest, and foreign withholding taxes and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in foreign exchange rates on foreign denominated assets and liabilities other than investments in securities held at the end of the reporting period.

c. Securities Purchased on a Delayed Delivery Basis

The Fund purchases securities on a delayed delivery basis, with payment and delivery scheduled for a future date. These transactions are subject to market fluctuations and are subject to the risk that the value at delivery may be more or less than the trade date purchase price. Although the Fund will generally purchase these securities with the intention of holding the securities, they may sell the securities before the settlement date.

d. Derivative Financial Instruments

The Fund invested in derivative financial instruments in order to manage risk or gain exposure to various other investments or markets. Derivatives are financial contracts based on an underlying or notional amount, require no initial investment or an initial net investment that is smaller than would normally be required to have a similar response to changes in market factors, and require or permit net settlement. Derivatives contain various risks including the potential inability of the counterparty to fulfill their obligations under the terms of the contract, the potential for an illiquid secondary market, and/or the potential for market movements which expose the Fund to gains or losses in excess of the amounts shown in the Statement of Assets and Liabilities. Realized gain and loss and unrealized appreciation and depreciation on these contracts for the period are included in the Statement of Operations.

Derivative counterparty credit risk is managed through a formal evaluation of the creditworthiness of all potential counterparties. The Fund attempts to reduce its exposure to counterparty credit risk on OTC derivatives, whenever possible, by entering into International Swaps and Derivatives Association (ISDA) master agreements with certain counterparties. These agreements contain various provisions, including but not limited to collateral requirements, events of default, or early termination. Termination events applicable to the counterparty include certain deteriorations in the credit quality of the counterparty. Termination events applicable to the Fund include failure of the Fund to maintain certain net asset levels and/or limit the decline in net assets over various periods of time. In the event of default or early termination, the ISDA master agreement gives the non-defaulting party the right to net and close-out all transactions traded, whether or not arising under the ISDA agreement, to one net amount payable by one counterparty to the other. However, absent an event of default or early termination, OTC derivative assets and liabilities are presented gross and not offset in the Statement of Assets and Liabilities. Early termination by the counterparty may result in an immediate payment by the Fund of any net liability owed to that counterparty under the ISDA agreement.

Collateral requirements differ by type of derivative. Collateral or initial margin requirements are set by the broker or exchange clearing house for exchange traded and centrally cleared derivatives. Initial margin deposited is held at the exchange and can be in the form of cash and/or

Templeton Global Bond VIP Fund (continued)**1. Organization and Significant Accounting Policies**
(continued)**d. Derivative Financial Instruments** (continued)

securities. For OTC derivatives traded under an ISDA master agreement, posting of collateral is required by either the Fund or the applicable counterparty if the total net exposure of all OTC derivatives with the applicable counterparty exceeds the minimum transfer amount, which typically ranges from \$100,000 to \$250,000, and can vary depending on the counterparty and the type of agreement. Generally, collateral is determined at the close of Fund business each day and any additional collateral required due to changes in derivative values may be delivered by the Fund or the counterparty the next business day, or within a few business days. Collateral pledged and/or received by the Fund for OTC derivatives, if any, is held in segregated accounts with the Fund's custodian/counterparty broker and can be in the form of cash and/or securities. Unrestricted cash may be invested according to the Fund's investment objectives. To the extent that the amounts due to the Fund from its counterparties are not subject to collateralization or are not fully collateralized, the Fund bears the risk of loss from counterparty non-performance.

The Fund entered into OTC forward exchange contracts primarily to manage and/or gain exposure to certain foreign currencies. A forward exchange contract is an agreement between the Fund and a counterparty to buy or sell a foreign currency at a specific exchange rate on a future date.

The Fund entered into interest rate swap contracts primarily to manage interest rate risk. An interest rate swap is an agreement between the Fund and a counterparty to exchange cash flows based on the difference between two interest rates, applied to a notional amount. These agreements may be privately negotiated in the over-the-counter market (OTC interest rate swaps) or may be executed on a registered exchange (centrally cleared interest rate swaps). For centrally cleared interest rate swaps, required initial margins are pledged by the Fund, and the daily change in fair value is accounted for as a variation margin payable or receivable in the Statement of Assets and Liabilities. Over the term of the contract, contractually required payments to be paid and to be received are accrued daily and recorded as unrealized appreciation or depreciation until the payments are made, at which time they are realized.

The Fund purchased or wrote OTC option contracts primarily to manage and/or gain exposure to foreign exchange rate risk. An option is a contract entitling the holder to purchase or sell a specific amount of shares or units of an asset or notional amount of a swap (swaption), at a specified price. When an option is purchased or written, an amount equal to the premium paid or received is recorded as an asset or liability, respectively. Upon exercise of an option, the acquisition cost or sales proceeds of the underlying investment is adjusted by any premium received or paid. Upon expiration of an option, any premium received or paid is recorded as a realized gain or loss. Upon closing an option other than through expiration or exercise, the difference between the premium received or paid and the cost to close the position is recorded as a realized gain or loss. At December 31, 2022, the Fund had no options.

See Note 11 regarding other derivative information.

e. Restricted Cash

At December 31, 2022, the Fund held restricted cash in connection with investments in certain derivative securities. Restricted cash is held in a segregated account with the Fund's counterparty broker and is reflected in the Statement of Assets and Liabilities.

f. Income and Deferred Taxes

It is the Fund's policy to qualify as a regulated investment company under the Internal Revenue Code. The Fund intends to distribute to shareholders substantially all of its taxable income and net realized gains to relieve it from federal income and if applicable, excise taxes. As a result, no provision for U.S. federal income taxes is required.

The Fund may be subject to foreign taxation related to income received, capital gains on the sale of securities and certain foreign currency transactions in the foreign jurisdictions in which it invests. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Fund invests. When a capital gain tax is determined to apply, the Fund records an estimated deferred tax liability in an amount that would be payable if the securities were disposed of on the valuation date.

The Fund may recognize an income tax liability related to its uncertain tax positions under U.S. GAAP when the uncertain tax position has a less than 50% probability that it will be sustained upon examination by the tax authorities based

Templeton Global Bond VIP Fund (continued)

1. Organization and Significant Accounting Policies

(continued)

f. Income and Deferred Taxes (continued)

on its technical merits. As of December 31, 2022, the Fund has determined that no tax liability is required in its financial statements related to uncertain tax positions for any open tax years (or expected to be taken in future tax years). Open tax years are those that remain subject to examination and are based on the statute of limitations in each jurisdiction in which the Fund invests.

g. Security Transactions, Investment Income, Expenses and Distributions

Security transactions are accounted for on trade date. Realized gains and losses on security transactions are determined on a specific identification basis. Interest income and estimated expenses are accrued daily. Amortization of premium and accretion of discount on debt securities are included in interest income. Dividend income is recorded on the ex-dividend date. Distributions to shareholders are recorded on the ex-dividend date. Distributable earnings are determined according to income tax regulations (tax basis) and may differ from earnings recorded in accordance with U.S. GAAP. These differences may be permanent or temporary. Permanent differences are reclassified among capital accounts to reflect their tax character. These reclassifications have no impact on net assets or the results of operations. Temporary differences are not reclassified, as they may reverse in subsequent periods.

Common expenses incurred by the Trust are allocated among the Funds based on the ratio of net assets of each Fund to the combined net assets of the Trust or based on the ratio of number of shareholders of each Fund to the combined number of shareholders of the Trust. Fund specific expenses are charged directly to the Fund that incurred the expense.

Realized and unrealized gains and losses and net investment income, excluding class specific expenses, are allocated daily to each class of shares based upon the relative proportion of net assets of each class. Differences in per share distributions by class are generally due to differences in class specific expenses.

Inflation-indexed bonds are adjusted for inflation through periodic increases or decreases in the security's interest accruals, face amount, or principal redemption value, by

amounts corresponding to the rate of inflation as measured by an index. Any increase or decrease in the face amount or principal redemption value will be included as inflation principal adjustments in the Statement of Operations.

h. Accounting Estimates

The preparation of financial statements in accordance with U.S. GAAP 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 amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

i. Guarantees and Indemnifications

Under the Trust's organizational documents, its officers and trustees are indemnified by the Trust against certain liabilities arising out of the performance of their duties to the Trust. Additionally, in the normal course of business, the Trust, on behalf of the Fund, enters into contracts with service providers that contain general indemnification clauses. The Trust's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust that have not yet occurred. Currently, the Trust expects the risk of loss to be remote.

Templeton Global Bond VIP Fund (continued)

2. Shares of Beneficial Interest

At December 31, 2022, there were an unlimited number of shares authorized (without par value). Transactions in the Fund's shares were as follows:

| | Year Ended December 31, 2022 | | Year Ended December 31, 2021 | |
|-----------------------------------|---------------------------------|-----------------|---------------------------------|----------------|
| | Shares | Amount | Shares | Amount |
| Class 1 Shares: | | | | |
| Shares sold | 1,493,687 | \$19,745,561 | 2,973,164 | \$41,967,080 |
| Shares redeemed | (4,618,884) | (60,933,632) | (3,685,956) | (51,824,238) |
| Net increase (decrease) | (3,125,197) | \$(41,188,071) | (712,792) | \$(9,857,158) |
| Class 2 Shares: | | | | |
| Shares sold | 4,612,566 | \$58,273,369 | 10,826,597 | \$145,827,853 |
| Shares redeemed | (23,697,756) | (299,924,121) | (15,636,949) | (209,386,550) |
| Net increase (decrease) | (19,085,190) | \$(241,650,752) | (4,810,352) | \$(63,558,697) |
| Class 4 Shares: | | | | |
| Shares sold | 218,921 | \$2,837,434 | 824,461 | \$11,404,659 |
| Shares redeemed | (1,175,713) | (15,139,840) | (933,077) | (12,784,809) |
| Net increase (decrease) | (956,792) | \$(12,302,406) | (108,616) | \$(1,380,150) |

3. Transactions with Affiliates

Franklin Resources, Inc. is the holding company for various subsidiaries that together are referred to as Franklin Templeton. Certain officers and trustees of the Fund are also officers and/or directors of the following subsidiaries:

| Subsidiary | Affiliation |
|---|------------------------|
| Franklin Advisers, Inc. (Advisers) | Investment manager |
| Franklin Templeton Services, LLC (FT Services) | Administrative manager |
| Franklin Distributors, LLC (Distributors) | Principal underwriter |
| Franklin Templeton Investor Services, LLC (Investor Services) | Transfer agent |

a. Management Fees

The Fund pays an investment management fee, calculated daily and paid monthly, to Advisers based on the average daily net assets of the Fund as follows:

| Annualized Fee Rate | Net Assets |
|---------------------|---|
| 0.625% | Up to and including \$100 million |
| 0.500% | Over \$100 million, up to and including \$250 million |
| 0.450% | Over \$250 million, up to and including \$7.5 billion |
| 0.440% | Over \$7.5 billion, up to and including \$10 billion |
| 0.430% | Over \$10 billion, up to and including \$12.5 billion |
| 0.420% | Over \$12.5 billion, up to and including \$15 billion |
| 0.400% | In excess of \$15 billion |

For the year ended December 31, 2022, the gross effective investment management fee rate was 0.463% of the Fund's average daily net assets.

Templeton Global Bond VIP Fund (continued)

3. Transactions with Affiliates (continued)

b. Administrative Fees

Under an agreement with Advisers, FT Services provides administrative services to the Fund. The fee is paid by Advisers based on the Fund's average daily net assets, and is not an additional expense of the Fund.

c. Distribution Fees

The Board has adopted distribution plans for Class 2 and Class 4 shares pursuant to Rule 12b-1 under the 1940 Act. Under the Fund's compensation distribution plans, the Fund pays Distributors for costs incurred in connection with the servicing, sale and distribution of the Fund's shares up to 0.25% and 0.35% per year of its average daily net assets of Class 2 and Class 4, respectively. The plan year, for purposes of monitoring compliance with the maximum annual plan rates, is February 1 through January 31.

d. Transfer Agent Fees

Investor Services, under terms of an agreement, performs shareholder servicing for the Fund and is not paid by the Fund for the services.

e. Investments in Affiliated Management Investment Companies

The Fund invests in one or more affiliated management investment companies. As defined in the 1940 Act, an investment is deemed to be a "Controlled Affiliate" of a fund when a fund owns, either directly or indirectly, 25% or more of the affiliated fund's outstanding shares or has the power to exercise control over management or policies of such fund. The Fund does not invest for purposes of exercising a controlling influence over the management or policies. Management fees paid by the Fund are waived on assets invested in the affiliated management investment companies, as noted in the Statement of Operations, in an amount not to exceed the management and administrative fees paid directly or indirectly by each affiliate. During the year ended December 31, 2022, the Fund held investments in affiliated management investment companies as follows:

| | Value at Beginning of Year | Purchases | Sales | Realized Gain (Loss) | Net Change in Unrealized Appreciation (Depreciation) | Value at End of Year | Number of Shares Held at End of Year | Investment Income |
|---|----------------------------------|----------------------|------------------------|-------------------------|---|----------------------------|---|----------------------|
| Templeton Global Bond VIP Fund | | | | | | | | |
| Non-Controlled Affiliates | | | | | | | | |
| | | | | | | | | Dividends |
| Institutional Fiduciary Trust - Money Market Portfolio, 3.782% | \$94,380,135 | \$902,157,912 | \$(842,025,187) | \$— | \$— | \$154,512,860 | 154,512,860 | \$1,561,290 |
| Total Affiliated Securities . . . | \$94,380,135 | \$902,157,912 | \$(842,025,187) | \$— | \$— | \$154,512,860 | | \$1,561,290 |

4. Expense Offset Arrangement

The Fund has entered into an arrangement with its custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Fund's custodian expenses. During the year ended December 31, 2022, the custodian fees were reduced as noted in the Statement of Operations.

Templeton Global Bond VIP Fund (continued)**5. Income Taxes**

For tax purposes, capital losses may be carried over to offset future capital gains.

At December 31, 2022, the capital loss carryforwards were as follows:

Capital loss carryforwards not subject to expiration:

| | |
|--|----------------------|
| Short term | \$17,190,517 |
| Long term | 202,825,645 |
| Total capital loss carryforwards | <u>\$220,016,162</u> |

At December 31, 2022, the cost of investments and net unrealized appreciation (depreciation) for income tax purposes were as follows:

| | |
|--|------------------------|
| Cost of investments | <u>\$1,919,246,634</u> |
| Unrealized appreciation | \$56,462,401 |
| Unrealized depreciation | (258,548,280) |
| Net unrealized appreciation (depreciation) | <u>\$(202,085,879)</u> |

Differences between income and/or capital gains as determined on a book basis and a tax basis are primarily due to differing treatments of foreign currency transactions, bond discounts and premiums and tax straddles.

In accordance with U.S. GAAP permanent differences are reclassified among capital accounts to reflect their tax character. At the year ended December 31, 2022, such reclassifications were as follows:

| | |
|---|----------------------|
| Paid-in Capital | \$(134,576,532) |
| Total distributable earnings (loss) | <u>\$134,576,532</u> |

6. Investment Transactions

Purchases and sales of investments (excluding short term securities) for the year ended December 31, 2022, aggregated \$217,193,182 and \$391,525,060, respectively.

7. Credit Risk

At December 31, 2022, the Fund had 10.8% of its portfolio invested in high yield or other securities rated below investment grade and unrated securities, if any. These securities may be more sensitive to economic conditions causing greater price volatility and are potentially subject to a greater risk of loss due to default than higher rated securities.

8. Concentration of Risk

Investing in foreign securities may include certain risks and considerations not typically associated with investing in U.S. securities, such as fluctuating currency values and changing local, regional and global economic, political and social conditions, which may result in greater market volatility. Political and financial uncertainty in many foreign regions may increase market volatility and the economic risk of investing in foreign securities. In addition, certain foreign securities may not be as liquid as U.S. securities.

Templeton Global Bond VIP Fund (continued)

9. Geopolitical Risk

On February 24, 2022, Russia engaged in military actions in the sovereign territory of Ukraine. The current political and financial uncertainty surrounding Russia and Ukraine may increase market volatility and the economic risk of investing in securities in these countries and may also cause uncertainty for the global economy and broader financial markets. The ultimate fallout and long-term impact from these events are not known. The Fund will continue to assess the impact on valuations and liquidity and will take any potential actions needed in accordance with procedures approved by the Board.

10. Novel Coronavirus Pandemic

The global outbreak of the novel coronavirus disease, known as COVID-19, has caused adverse effects on many companies, sectors, nations, regions and the markets in general, and may continue for an unpredictable duration. The effects of this pandemic may materially impact the value and performance of the Fund, its ability to buy and sell fund investments at appropriate valuations and its ability to achieve its investment objectives.

11. Other Derivative Information

At December 31, 2022, investments in derivative contracts are reflected in the Statement of Assets and Liabilities as follows:

| Derivative Contracts Not Accounted for as Hedging Instruments | Asset Derivatives | | Liability Derivatives | |
|---|--|---------------------|--|-----------------------|
| | Statement of Assets and Liabilities Location | Fair Value | Statement of Assets and Liabilities Location | Fair Value |
| Templeton Global Bond VIP Fund | | | | |
| Interest rate contracts | Variation margin on centrally cleared swap contracts | \$— | Variation margin on centrally cleared swap contracts | \$43,733 ^a |
| Foreign exchange contracts . . | Unrealized appreciation on OTC forward exchange contracts | 39,810,373 | Unrealized depreciation on OTC forward exchange contracts | 18,878,592 |
| Total | | <u>\$39,810,373</u> | | <u>\$18,922,325</u> |

^aThis amount reflects the cumulative appreciation (depreciation) of centrally cleared swap contracts as reported in the schedule of investments. Only the variation margin receivable/payable at year end is separately reported within the Statement of Assets and Liabilities. Prior variation margin movements were recorded to cash upon receipt or payment.

Templeton Global Bond VIP Fund (continued)

11. Other Derivative Information (continued)

For the year ended December 31, 2022, the effect of derivative contracts in the Statement of Operations was as follows:

| Derivative Contracts Not Accounted for as Hedging Instruments | Statement of Operations Location | Net Realized Gain (Loss) for the Year | Statement of Operations Location | Net Change in Unrealized Appreciation (Depreciation) for the Year |
|---|-------------------------------------|---|---|---|
| Templeton Global Bond VIP Fund | | | | |
| | Net realized gain (loss) from: | | Net change in unrealized appreciation (depreciation) on: | |
| Interest rate contracts | Swap contracts | \$— | Swap contracts | \$(43,733) |
| Foreign exchange contracts | Investments | (10,443,839) ^a | Investments | 7,138,635 ^a |
| | Written options | 3,904,388 | Written options | (2,493,739) |
| | Forward exchange contracts | (1,254,506) | Forward exchange contracts | 19,339,887 |
| Total | | <u>\$(7,793,957)</u> | | <u>\$23,941,050</u> |

^aPurchased option contracts are included in net realized gain (loss) from investments and net change in unrealized appreciation (depreciation) on investments in the Statement of Operations.

For the year ended December 31, 2022, the average month end notional amount of swap contracts and options represented \$3,058,462 and \$207,657,154, respectively. The average month end contract value of forward exchange contracts was \$1,327,881,443.

At December 31, 2022, OTC derivative assets and liabilities are as follows:

| | Gross Amounts of Assets and Liabilities Presented in the Statement of Assets and Liabilities | |
|---------------------------------------|---|--------------------------------|
| | Assets^a | Liabilities^a |
| Templeton Global Bond VIP Fund | | |
| Derivatives | | |
| Forward exchange contracts | \$39,810,373 | \$18,878,592 |
| Total | <u>\$39,810,373</u> | <u>\$18,878,592</u> |

^aAbsent an event of default or early termination, OTC derivative assets and liabilities are presented gross and not offset in the Statement of Assets and Liabilities.

Templeton Global Bond VIP Fund (continued)

11. Other Derivative Information (continued)

At December 31, 2022, OTC derivative assets, which may be offset against OTC derivative liabilities and collateral received from the counterparty, are as follows:

| | Gross Amounts of Assets Presented in the Statement of Assets and Liabilities | Amounts Not Offset in the Statement of Assets and Liabilities | | | Net Amount (Not less than zero) |
|---------------------------------------|--|--|---|--------------------------------|---------------------------------------|
| | | Financial Instruments Available for Offset | Financial Instruments Collateral Received ^a | Cash Collateral Received | |
| Templeton Global Bond VIP Fund | | | | | |
| Counterparty | | | | | |
| BNDP | \$6,391,778 | \$— | \$(6,015,833) | \$— | \$375,945 |
| BOFA | 6,316,884 | (532,384) | (3,706,719) | (690,000) | 1,387,781 |
| BZWS | 625,423 | (625,423) | — | — | — |
| CITI | 694,872 | (694,872) | — | — | — |
| DBAB | 5,077,862 | (2,668,654) | (897,208) | (429,170) | 1,082,830 |
| GSCO | 9,767,506 | (146,770) | — | (8,380,000) | 1,240,736 |
| HSBK | 2,997,844 | (2,997,844) | — | — | — |
| JPHQ | 4,357,642 | (188,245) | (3,703,675) | — | 465,722 |
| MSCO | 3,580,562 | (2,265,914) | — | (840,000) | 474,648 |
| Total | \$39,810,373 | \$(10,120,106) | \$(14,323,435) | \$(10,339,170) | \$5,027,662 |

At December 31, 2022, OTC derivative liabilities, which may be offset against OTC derivative assets and collateral pledged to the counterparty, are as follows:

| | Gross Amounts of Liabilities Presented in the Statement of Assets and Liabilities | Amounts Not Offset in the Statement of Assets and Liabilities | | | Net Amount (Not less than zero) |
|---------------------------------------|--|--|---|--|---------------------------------------|
| | | Financial Instruments Available for Offset | Financial Instruments Collateral Pledged | Cash Collateral Pledged ^b | |
| Templeton Global Bond VIP Fund | | | | | |
| Counterparty | | | | | |
| BNDP | \$— | \$— | \$— | \$— | \$— |
| BOFA | 532,384 | (532,384) | — | — | — |
| BZWS | 1,493,386 | (625,423) | — | (740,000) | 127,963 |
| CITI | 1,618,867 | (694,872) | — | (923,995) | — |
| DBAB | 2,668,654 | (2,668,654) | — | — | — |
| GSCO | 146,770 | (146,770) | — | — | — |
| HSBK | 9,964,372 | (2,997,844) | — | (6,930,000) | 36,528 |
| JPHQ | 188,245 | (188,245) | — | — | — |
| MSCO | 2,265,914 | (2,265,914) | — | — | — |
| Total | \$18,878,592 | \$(10,120,106) | \$— | \$(8,593,995) | \$164,491 |

Templeton Global Bond VIP Fund (continued)**11. Other Derivative Information** (continued)

^aAt December 31, 2022, the Fund received U.S. Treasury Bills, Bonds, Notes and Inflation Indexed Bonds as collateral for derivatives.

^bIn some instances, the collateral amounts disclosed in the table above were adjusted due to the requirement to limit the collateral amounts to avoid the effect of overcollateralization. Actual collateral received and/or pledged may be more than the amounts disclosed herein.

See Note 1(d) regarding derivative financial instruments.

See Abbreviations on page TGB-32.

12. Credit Facility

The Fund, together with other U.S. registered and foreign investment funds (collectively, Borrowers), managed by Franklin Templeton, are borrowers in a joint syndicated senior unsecured credit facility totaling \$2.675 billion (Global Credit Facility) which matured on February 3, 2023. This Global Credit Facility provides a source of funds to the Borrowers for temporary and emergency purposes, including the ability to meet future unanticipated or unusually large redemption requests. Effective February 3, 2023, the Borrowers renewed the Global Credit Facility for a one-year term, maturing February 2, 2024, for a total of \$2.675 billion.

Under the terms of the Global Credit Facility, the Fund shall, in addition to interest charged on any borrowings made by the Fund and other costs incurred by the Fund, pay its share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon its relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee of 0.15% based upon the unused portion of the Global Credit Facility. These fees are reflected in other expenses in the Statement of Operations. During the year ended December 31, 2022, the Fund did not use the Global Credit Facility.

13. Fair Value Measurements

The Fund follows a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Fund's own market assumptions (unobservable inputs). These inputs are used in determining the value of the Fund's financial instruments and are summarized in the following fair value hierarchy:

- Level 1 – quoted prices in active markets for identical financial instruments
- Level 2 – other significant observable inputs (including quoted prices for similar financial instruments, interest rates, prepayment speed, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining the fair value of financial instruments)

The input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level.

A summary of inputs used as of December 31, 2022, in valuing the Fund's assets and liabilities carried at fair value, is as follows:

Templeton Global Bond VIP Fund (continued)

13. Fair Value Measurements (continued)

| | Level 1 | Level 2 | Level 3 | Total |
|--|----------------------|------------------------|------------|------------------------|
| Templeton Global Bond VIP Fund | | | | |
| Assets: | | | | |
| Investments in Securities: | | | | |
| Foreign Government and Agency Securities | \$— | \$766,011,042 | \$— | \$766,011,042 |
| U.S. Government and Agency Securities | — | 390,804,472 | — | 390,804,472 |
| Short Term Investments | 154,512,860 | 384,944,333 | — | 539,457,193 |
| Total Investments in Securities | <u>\$154,512,860</u> | <u>\$1,541,759,847</u> | <u>\$—</u> | <u>\$1,696,272,707</u> |
| Other Financial Instruments: | | | | |
| Forward exchange contracts | \$— | \$39,810,373 | \$— | \$39,810,373 |
| Total Other Financial Instruments | <u>\$—</u> | <u>\$39,810,373</u> | <u>\$—</u> | <u>\$39,810,373</u> |
| Liabilities: | | | | |
| Other Financial Instruments: | | | | |
| Forward exchange contracts | \$— | \$18,878,592 | \$— | \$18,878,592 |
| Swap contracts | — | 43,733 | — | 43,733 |
| Total Other Financial Instruments | <u>\$—</u> | <u>\$18,922,325</u> | <u>\$—</u> | <u>\$18,922,325</u> |

14. Subsequent Events

The Fund has evaluated subsequent events through the issuance of the financial statements and determined that no events have occurred that require disclosure other than those already disclosed in the financial statements.

Abbreviations

Counterparty

| | |
|-------------|---------------------------|
| BNDP | BNP Paribas SA |
| BOFA | Bank of America Corp. |
| BZWS | Barclays Bank plc |
| CITI | Citibank NA |
| DBAB | Deutsche Bank AG |
| GSCO | Goldman Sachs Group, Inc. |
| HSBK | HSBC Bank plc |
| JPHQ | JPMorgan Chase Bank NA |
| MSCO | Morgan Stanley |

Currency

| | |
|------------|----------------------|
| BRL | Brazilian Real |
| COP | Colombian Peso |
| CAD | Canadian Dollar |
| EUR | Euro |
| GHS | Ghanaian Cedi |
| IDR | Indonesian Rupiah |
| INR | Indian Rupee |
| JPY | Japanese Yen |
| KRW | South Korean Won |
| MXN | Mexican Peso |
| NOK | Norwegian Krone |
| SEK | Swedish Krona |
| SGD | Singapore Dollar |
| THB | Thai Baht |
| USD | United States Dollar |

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Franklin Templeton Variable Insurance Products Trust and Shareholders of Templeton Global Bond VIP Fund

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Templeton Global Bond VIP Fund (one of the funds constituting Franklin Templeton Variable Insurance Products Trust, referred to hereafter as the “Fund”) as of December 31, 2022, the related statement of operations for the year ended December 31, 2022, the statement of changes in net assets for each of the two years in the period ended December 31, 2022, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2022 (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2022, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2022 and the financial highlights for each of the five years in the period ended December 31, 2022 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2022 by correspondence with the custodian, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
San Francisco, California
February 17, 2023

We have served as the auditor of one or more investment companies in the Franklin Templeton Group of Funds since 1948.

Tax Information (unaudited)

Templeton Global Bond VIP Fund

By mid-February, tax information related to a shareholder's proportionate share of distributions paid during the preceding calendar year will be received, if applicable. Please also refer to www.franklintempleton.com for per share tax information related to any distributions paid during the preceding calendar year. Shareholders are advised to consult with their tax advisors for further information on the treatment of these amounts on their tax returns.

The following tax information for the Fund is required to be furnished to shareholders with respect to income earned and distributions paid during its fiscal year.

Under Section 853 of the Internal Revenue Code, the Fund intends to elect to pass through to its shareholders the following amounts, or amounts as finally determined, of foreign taxes paid and foreign source income earned by the Fund during the fiscal year ended December 31, 2022:

| | Amount Reported |
|------------------------------|------------------------|
| Foreign Taxes Paid | \$3,214,216 |
| Foreign Source Income Earned | \$70,423,210 |

Index Descriptions

The indexes are unmanaged and include reinvestment of any income or distributions. They do not reflect any fees, expenses or sales charges. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio. Net Returns (NR) include income net of tax withholding when dividends are paid.

For Russell Indexes: Frank Russell Company is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Frank Russell Company.

See www.franklintempletondatasources.com for additional data provider information.

Bloomberg 1-3 Month U.S. Treasury Bill Index measures the performance of U.S. Treasury bills that have a remaining maturity of greater than or equal to one month and less than three months. Treasuries, if held to maturity, offer a fixed rate of return and a fixed principal value; their interest payments and principal are guaranteed.

Bloomberg U.S. Aggregate Bond Index measures the performance of the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid adjustable-rate mortgage pass-throughs), asset-backed securities and commercial mortgage-backed securities (agency and nonagency).

Bloomberg U.S. Corporate Investment Grade Index measures the performance of the investment-grade, fixed-rate, taxable corporate bond market. It includes U.S. dollar-denominated securities publicly issued by U.S. and non-U.S. industrial, utility and financial issuers.

Bloomberg U.S. Corporate High Yield Index measures the performance of the U.S. dollar-denominated, high-yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Standard & Poor's, and Fitch is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets (EM) country of risk, based on Bloomberg EM country definition, are excluded.

Bloomberg U.S. Government - Intermediate Index is the intermediate component of the Bloomberg U.S. Government Index, which includes U.S. dollar-denominated, fixed-rate, nominal U.S. Treasuries and U.S. agency debentures (securities issued by U.S. government-owned or government-sponsored entities, and debt explicitly guaranteed by the U.S. government).

Bloomberg U.S. High Yield Very Liquid Index is a component of the Bloomberg U.S. Corporate High Yield Index that is designed to track a more liquid component of the U.S. dollar-denominated, high-yield, fixed-rate corporate bond market.

Bloomberg U.S. Mortgage-Backed Securities (MBS) Index tracks the performance of fixed-rate agency mortgage-backed pass-through securities guaranteed by Ginnie Mae (GNMA), Fannie Mae (FNMA) and Freddie Mac (FHLMC). Effective June 1, 2017, hybrid adjustable-rate mortgages were removed from the index.

Bloomberg U.S. Treasury Index measures the performance of U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury with at least one year until final maturity. Treasuries, if held to maturity, offer a fixed rate of return and a fixed principal value; their interest payments and principal are guaranteed.

FTSE® EPRA®/NAREIT® Developed Index is a free float-adjusted index designed to measure the performance of publicly traded real estate securities in the North American, European and Asian real estate markets.

FTSE World Government Bond Index (WGBI) measures the performance of fixed-rate, local currency, investment-grade sovereign bonds and is stated in U.S. dollar terms.

J.P. Morgan (JPM) Global Government Bond Index (GGBI) tracks total returns for liquid, fixed-rate, domestic government bonds with maturities greater than one year issued by developed countries globally.

MSCI All Country Asia Index-NR is a free float-adjusted, market capitalization-weighted index designed to measure the equity market performance of developed and emerging markets in Asia.

MSCI All Country World Index (ACWI)-NR is a free float-adjusted, market capitalization-weighted index designed to measure the equity market performance of global developed and emerging markets.

MSCI All Country World Index (ACWI) ex USA Index-NR is a free float-adjusted, market capitalization-weighted index designed to measure the equity market performance of global developed and emerging markets, excluding the U.S.

MSCI Emerging Markets (EM) Index-NR is a free float-adjusted, market capitalization-weighted index designed to measure the equity market performance of global emerging markets.

MSCI Europe Index-NR is a free float-adjusted, market capitalization-weighted index designed to measure the equity market performance of developed markets in Europe.

MSCI USA High Dividend Yield Index is based on the MSCI USA Index, its parent index, and includes large- and mid-capitalization stocks. The index is designed to reflect the performance of equities in the parent index (excluding real estate investment trusts) with higher dividend income and quality characteristics than average dividend yields that are both sustainable and persistent.

MSCI USA Index is designed to measure the performance of the large- and mid-capitalization segments of the U.S. market. With 627 constituents, the index covers approximately 85% of the free float adjusted market capitalization in the U.S.

MSCI World ex USA Index-NR is a free float-adjusted, market capitalization-weighted index designed to measure the equity market performance of global developed markets, excluding the U.S.

MSCI World Value Index-NR is a free float-adjusted, market capitalization-weighted index designed to measure the performance of stocks exhibiting overall value style characteristics in global developed markets.

Russell 1000® Growth Index is market capitalization weighted and measures the performance of those Russell 1000® Index companies with relatively higher price-to-book ratios and higher forecasted growth rates.

Russell 1000® Index is market capitalization weighted and measures the performance of the approximately 1,000 largest companies in the Russell 3000® Index, which represents the majority of the U.S. market's total capitalization.

Russell 1000® Value Index is market capitalization weighted and measures the performance of those Russell 1000® Index companies with relatively lower price-to-book ratios and lower forecasted growth rates.

Russell 2000® Index is market capitalization weighted and measures the performance of the approximately 2,000 smallest companies in the Russell 3000® Index that represent a small amount of the total market capitalization of the Russell 3000® Index.

Russell 2000® Value Index is market capitalization weighted and measures the performance of those Russell 2000® Index companies with relatively lower price-to-book ratios and lower forecasted growth rates.

Russell 2500™ Index is market capitalization weighted and measures the performance of the approximately 2,500 smallest companies in the Russell 3000® Index that represent a modest amount of the Russell 3000® Index's total market capitalization.

Russell 3000® Index is market capitalization weighted and measures the performance of the largest 3,000 U.S. companies representing the majority of the U.S. market's total capitalization.

Russell Midcap® Growth Index is market capitalization weighted and measures the performance of those Russell Midcap® Index companies with relatively higher price-to-book ratios and higher forecasted growth rates.

Russell Midcap® Index is market capitalization weighted and measures the performance of the approximately 800 smallest companies in the Russell 1000® Index that represent a modest amount of the Russell 1000® Index's total market capitalization.

Standard & Poor's® 500 Index (S&P 500®) is a market capitalization-weighted index of 500 stocks designed to measure total U.S. equity market performance.

Board Members and Officers

The name, year of birth and address of the officers and board members, as well as their affiliations, positions held with the Trust, principal occupations during at least the past five years and number of U.S. registered portfolios overseen in the Franklin Templeton/Legg Mason fund complex, are shown below. Generally, each board member serves until that person's successor is elected and qualified.

Independent Board Members

| Name, Year of Birth and Address | Position | Length of Time Served | Number of Portfolios in Fund Complex Overseen by Board Member* | Other Directorships Held During at Least the Past 5 Years |
|---|----------|-----------------------|--|--|
| Harris J. Ashton (1932) One Franklin Parkway San Mateo, CA 94403-1906 | Trustee | Since 1988 | 119 | Bar-S Foods (meat packing company) (1981-2010). |
| Principal Occupation During at Least the Past 5 Years: Director of various companies; and formerly , Director, RBC Holdings, Inc. (bank holding company) (until 2002); and President, Chief Executive Officer and Chairman of the Board, General Host Corporation (nursery and craft centers) (until 1998). | | | | |
| Terrence J. Checki (1945) One Franklin Parkway San Mateo, CA 94403-1906 | Trustee | Since 2017 | 119 | Hess Corporation (exploration of oil and gas) (2014-present). |
| Principal Occupation During at Least the Past 5 Years: Member of the Council on Foreign Relations (1996-present); Member of the National Committee on U.S.-China Relations (1999-present); member of the board of trustees of the Economic Club of New York (2013-present); member of the board of trustees of the Foreign Policy Association (2005-present); member of the board of directors of Council of the Americas (2007-present) and the Tallberg Foundation (2018-present); and formerly , Executive Vice President of the Federal Reserve Bank of New York and Head of its Emerging Markets and Internal Affairs Group and Member of Management Committee (1995-2014); and Visiting Fellow at the Council on Foreign Relations (2014). | | | | |
| Mary C. Choksi (1950) One Franklin Parkway San Mateo, CA 94403-1906 | Trustee | Since 2014 | 120 | Omnicom Group Inc. (advertising and marketing communications services) (2011-present) and White Mountains Insurance Group, Ltd. (holding company) (2017-present); and formerly , Avis Budget Group Inc. (car rental) (2007-2020). |
| Principal Occupation During at Least the Past 5 Years: Director of various companies; and formerly , Founder and Senior Advisor, Strategic Investment Group (investment management group) (2015-2017); Founding Partner and Senior Managing Director, Strategic Investment Group (1987-2015); Founding Partner and Managing Director, Emerging Markets Management LLC (investment management firm) (1987-2011); and Loan Officer/Senior Loan Officer/Senior Pension Investment Officer, World Bank Group (international financial institution) (1977-1987). | | | | |

Independent Board Members (continued)

| Name, Year of Birth and Address | Position | Length of Time Served | Number of Portfolios in Fund Complex Overseen by Board Member* | Other Directorships Held During at Least the Past 5 Years |
|--|--------------------------|--|--|--|
| Edith E. Holiday (1952) One Franklin Parkway San Mateo, CA 94403-1906 | Lead Independent Trustee | Trustee since 2005 and Lead Independent Trustee since 2019 | 120 | Hess Corporation (exploration of oil and gas) (1993-present), Santander Consumer USA Holdings, Inc. (consumer finance) (2016-present); Santander Holdings USA (holding company) (2019-present); and formerly , Canadian National Railway (railroad) (2001-2021), White Mountains Insurance Group, Ltd. (holding company) (2004-2021), RTI International Metals, Inc. (manufacture and distribution of titanium) (1999-2015) and H.J. Heinz Company (processed foods and allied products) (1994-2013). |

Principal Occupation During at Least the Past 5 Years:

Director or Trustee of various companies and trusts; and **formerly**, Assistant to the President of the United States and Secretary of the Cabinet (1990-1993); General Counsel to the United States Treasury Department (1989-1990); and Counselor to the Secretary and Assistant Secretary for Public Affairs and Public Liaison-United States Treasury Department (1988-1989).

| | | | | |
|---|---------|------------|-----|--|
| J. Michael Luttig (1954) One Franklin Parkway San Mateo, CA 94403-1906 | Trustee | Since 2009 | 120 | Boeing Capital Corporation (aircraft financing) (2006-2010). |
|---|---------|------------|-----|--|

Principal Occupation During at Least the Past 5 Years:

Counselor and Special Advisor to the CEO and Board of Directors of the Coca-Cola Company (beverage company) (2021-present); and **formerly**, Counselor and Senior Advisor to the Chairman, CEO, and Board of Directors, of The Boeing Company (aerospace company), and member of the Executive Council (2019-2020); Executive Vice President, General Counsel and member of the Executive Council, The Boeing Company (2006-2019); and Federal Appeals Court Judge, United States Court of Appeals for the Fourth Circuit (1991-2006).

| | | | | |
|---|---------|------------|-----|---|
| Larry D. Thompson (1945) One Franklin Parkway San Mateo, CA 94403-1906 | Trustee | Since 2007 | 120 | Graham Holdings Company (education and media organization) (2011-2021); The Southern Company (energy company) (2014-2020; previously 2010-2012) and Cbeyond, Inc. (business communications provider) (2010-2012). |
|---|---------|------------|-----|---|

Principal Occupation During at Least the Past 5 Years:

Director of various companies; Counsel, Finch McCranie, LLP (law firm) (2015-present); John A. Sibley Professor of Corporate and Business Law, University of Georgia School of Law (2015-present; previously 2011-2012); and **formerly**, Independent Compliance Monitor and Auditor, Volkswagen AG (manufacturer of automobiles and commercial vehicles) (2017-2020); Executive Vice President - Government Affairs, General Counsel and Corporate Secretary, PepsiCo, Inc. (consumer products) (2012-2014); Senior Vice President - Government Affairs, General Counsel and Secretary, PepsiCo, Inc. (2004-2011); Senior Fellow of The Brookings Institution (2003-2004); Visiting Professor, University of Georgia School of Law (2004); and Deputy Attorney General, U.S. Department of Justice (2001-2003).

Independent Board Members (continued)

| Name, Year of Birth and Address | Position | Length of Time Served | Number of Portfolios in Fund Complex Overseen by Board Member* | Other Directorships Held During at Least the Past 5 Years |
|---|----------|-----------------------|--|--|
| Valerie M. Williams (1956) One Franklin Parkway San Mateo, CA 94403-1906 | Trustee | Since 2021 | 111 | Omnicom Group, Inc. (advertising and marketing communications services) (2016-present), DTE Energy Co. (gas and electric utility) (2018-present), Devon Energy Corporation (exploration and production of oil and gas) (January 2021-present); and formerly , WPX Energy, Inc. (exploration and production of oil and gas) (2018-2021). |

Principal Occupation During at Least the Past 5 Years:

Director of various companies; and **formerly**, Regional Assurance Managing Partner, Ernst & Young LLP (public accounting) (2005-2016), various roles of increasing responsibility at Ernst & Young (1981-2005).

Interested Board Members and Officers

| Name, Year of Birth and Address | Position | Length of Time Served | Number of Portfolios in Fund Complex Overseen by Board Member* | Other Directorships Held During at Least the Past 5 Years |
|--|-----------------------------------|---|--|---|
| **Gregory E. Johnson (1961) One Franklin Parkway San Mateo, CA 94403-1906 | Chairman of the Board and Trustee | Chairman of the Board since January 2023 and Trustee since 2013 | 131 | None |

Principal Occupation During at Least the Past 5 Years:

Executive Chairman, Chairman of the Board and Director, Franklin Resources, Inc.; officer and/or director or trustee, as the case may be, of some of the other subsidiaries of Franklin Resources, Inc. and of certain funds in the Franklin Templeton/Legg Mason fund complex; Vice Chairman, Investment Company Institute; and **formerly**, Chief Executive Officer (2013-2020) and President (1994-2015) Franklin Resources, Inc.

| | | | | |
|--|---------|------------|-----|------|
| **Rupert H. Johnson, Jr. (1940) One Franklin Parkway San Mateo, CA 94403-1906 | Trustee | Since 1988 | 120 | None |
|--|---------|------------|-----|------|

Principal Occupation During at Least the Past 5 Years:

Director (Vice Chairman), Franklin Resources, Inc.; Director, Franklin Advisers, Inc.; and officer and/or director or trustee, as the case may be, of some of the other subsidiaries of Franklin Resources, Inc. and of certain funds in the Franklin Templeton/Legg Mason fund complex.

| | | | | |
|--|----------------|------------|----------------|----------------|
| Alison E. Baur (1964) One Franklin Parkway San Mateo, CA 94403-1906 | Vice President | Since 2012 | Not Applicable | Not Applicable |
|--|----------------|------------|----------------|----------------|

Principal Occupation During at Least the Past 5 Years:

Deputy General Counsel, Franklin Templeton; and officer of some of the other subsidiaries of Franklin Resources, Inc. and of certain funds in the Franklin Templeton/Legg Mason fund complex.

| | | | | |
|--|--------------------------|------------|----------------|----------------|
| Breda M. Beckerle (1958) 280 Park Avenue New York, NY 10017 | Chief Compliance Officer | Since 2020 | Not Applicable | Not Applicable |
|--|--------------------------|------------|----------------|----------------|

Principal Occupation During at Least the Past 5 Years:

Chief Compliance Officer, Fiduciary Investment Management International, Inc., Franklin Advisers, Inc., Franklin Mutual Advisers, LLC, Franklin Templeton Institutional, LLC; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.

Interested Board Members and Officers (continued)

| Name, Year of Birth and Address | Position | Length of Time Served | Number of Portfolios in Fund Complex Overseen by Board Member* | Other Directorships Held During at Least the Past 5 Years |
|--|------------------------------------|--|--|---|
| Steven J. Gray (1955) One Franklin Parkway San Mateo, CA 94403-1906 | Vice President and Co-Secretary | Vice President since 2009 and Co-Secretary since 2019 | Not Applicable | Not Applicable |

Principal Occupation During at Least the Past 5 Years:

Senior Associate General Counsel, Franklin Templeton; Assistant Secretary, Franklin Distributors, LLC; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.

| | | | | |
|---|--|------------|----------------|----------------|
| Matthew T. Hinkle (1971) One Franklin Parkway San Mateo, CA 94403-1906 | Chief Executive Officer - Finance and Administration | Since 2017 | Not Applicable | Not Applicable |
|---|--|------------|----------------|----------------|

Principal Occupation During at Least the Past 5 Years:

Senior Vice President, Franklin Templeton Services, LLC; officer of certain funds in the Franklin Templeton/Legg Mason fund complex; and formerly, Vice President, Global Tax (2012-April 2017) and Treasurer/Assistant Treasurer, Franklin Templeton (2009-2017).

| | | | | |
|---|---------------------------------|------------|----------------|----------------|
| Susan Kerr (1949) 620 Eighth Avenue New York, NY 10018 | Vice President - AML Compliance | Since 2021 | Not Applicable | Not Applicable |
|---|---------------------------------|------------|----------------|----------------|

Principal Occupation During at Least the Past 5 Years:

Senior Compliance Analyst, Franklin Templeton; Chief Anti-Money Laundering Compliance Officer, Legg Mason & Co., or its affiliates; Anti Money Laundering Compliance Officer; Senior Compliance Officer, LMIS; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.

| | | | | |
|---|---|--------------------|----------------|----------------|
| Christopher Kings (1974) One Franklin Parkway San Mateo, CA 94403-1906 | Chief Financial Officer, Chief Accounting Officer and Treasurer | Since January 2022 | Not Applicable | Not Applicable |
|---|---|--------------------|----------------|----------------|

Principal Occupation During at Least the Past 5 Years:

Treasurer, U.S. Fund Administration & Reporting; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.

| | | | | |
|---|---|------------|----------------|----------------|
| Edward D. Perks (1970) One Franklin Parkway San Mateo, CA 94403-1906 | President and Chief Executive Officer - Investment Management | Since 2018 | Not Applicable | Not Applicable |
|---|---|------------|----------------|----------------|

Principal Occupation During at Least the Past 5 Years:

President and Director, Franklin Advisers, Inc.; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.

| | | | | |
|---|----------------|------------|----------------|----------------|
| Navid J. Tofigh (1972) One Franklin Parkway San Mateo, CA 94403-1906 | Vice President | Since 2015 | Not Applicable | Not Applicable |
|---|----------------|------------|----------------|----------------|

Principal Occupation During at Least the Past 5 Years:

Senior Associate General Counsel, Franklin Templeton; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.

| | | | | |
|--|---------------------------------|---|----------------|----------------|
| Lori A. Weber (1964) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923 | Vice President and Co-Secretary | Vice President since 2011 and Co-Secretary since 2019 | Not Applicable | Not Applicable |
|--|---------------------------------|---|----------------|----------------|

Principal Occupation During at Least the Past 5 Years:

Senior Associate General Counsel, Franklin Templeton; Assistant Secretary, Franklin Resources, Inc.; Vice President and Secretary, Templeton Investment Counsel, LLC; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.

Interested Board Members and Officers (continued)

*We base the number of portfolios on each separate series of the U.S. registered investment companies within the Franklin Templeton/Legg Mason fund complex. These portfolios have a common investment manager or affiliated investment managers.

**Gregory E. Johnson is considered to be an interested person of the Fund under the federal securities laws due to his position as an officer and director of Franklin Resources, Inc. (Resources), which is the parent company of the Fund's investment manager and distributor. Rupert H. Johnson, Jr. is considered to be an interested person of the Fund under the federal securities laws due to his position as an officer and director and major shareholder of Resources.

Note 1: Rupert H. Johnson, Jr. is the uncle of Gregory E. Johnson.

Note 2: Officer information is current as of the date of this report. It is possible that after this date, information about officers may change.

The Sarbanes-Oxley Act of 2002 and Rules adopted by the Securities and Exchange Commission require the Fund to disclose whether the Fund's Audit Committee includes at least one member who is an audit committee financial expert within the meaning of such Act and Rules. The Fund's Board has determined that there is at least one such financial expert on the Audit Committee and has designated Mary C. Choksi as its audit committee financial expert. The Board believes that Ms. Choksi qualifies as such an expert in view of her extensive business background and experience. She served as a director of Avis Budget Group, Inc. (2007-2020) and formerly, Founder and Senior Advisor, Strategic Investment Group (1987 to 2017). Ms. Choksi has been a Member of the Fund's Audit Committee since 2014. As a result of such background and experience, the Board believes that Ms. Choksi has acquired an understanding of generally accepted accounting principles and financial statements, the general application of such principles in connection with the accounting estimates, accruals and reserves, and analyzing and evaluating financial statements that present a breadth and level of complexity of accounting issues generally comparable to those of the Fund, as well as an understanding of internal controls and procedures for financial reporting and an understanding of audit committee functions. Ms. Choksi is an independent Board member as that term is defined under the relevant Securities and Exchange Commission Rules and Releases.

The Statement of Additional Information (SAI) includes additional information about the board members and is available, without charge, upon request. Shareholders may call (800) DIAL BEN/342-5236 to request the SAI.

Shareholder Information

Proxy Voting Policies and Procedures

The Trust's investment manager has established Proxy Voting Policies and Procedures (Policies) that the Trust uses to determine how to vote proxies relating to portfolio securities. Shareholders may view the Trust's complete Policies online at franklintempleton.com. Alternatively, shareholders may request copies of the Policies free of charge by calling the Proxy Group collect at (954) 527-7678 or by sending a written request to: Franklin Templeton Companies, LLC, 300 S.E. 2nd Street, Fort Lauderdale, FL 33301, Attention: Proxy Group. Copies of the Trust's proxy voting records are also made available online at franklintempleton.com and posted on the U.S. Securities and Exchange Commission's website at sec.gov and reflect the most recent 12-month period ended June 30.

Quarterly Schedule of Investments

The Trust files a complete schedule of investments with the U.S. Securities and Exchange Commission for the first and third quarters for each fiscal year as an exhibit to its report on Form N-PORT. Shareholders may view the filed Form N-PORT by visiting the Commission's website at sec.gov. The filed form may also be viewed and copied at the Commission's Public Reference Room in Washington, DC. Information regarding the operations of the Public Reference Room may be obtained by calling (800) SEC-0330.

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Franklin Templeton Variable Insurance Products Trust (FTVIP) shares are not offered to the public; they are offered and sold only to: (1) insurance company separate accounts (Separate Account) to serve as the underlying investment vehicle for variable contracts; (2) certain qualified plans; and (3) other mutual funds (funds of funds).

Authorized for distribution to investors in Separate Accounts only when accompanied or preceded by the current prospectus for the applicable contract, which includes the Separate Account and the FTVIP prospectuses. Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. The prospectus contains this and other information; please read it carefully before investing.

To help ensure we provide you with quality service, all calls to and from our service areas are monitored and/or recorded.



Annual Report
Franklin Templeton Variable Insurance Products Trust

Investment Managers

Franklin Advisers, Inc.
Franklin Mutual Advisers, LLC
Franklin Templeton Institutional, LLC
Templeton Asset Management Ltd.
Templeton Global Advisors Limited
Templeton Investment Counsel, LLC

Fund Administrator

Franklin Templeton Services, LLC

Distributor

Franklin
Distributors, LLC