

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
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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 Foreign VIP Fund

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

Class 1 Performance Summary as of December 31, 2022

Average annual total return of Class 1 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
1	
1-Year	-7.39%
5-Year	-1.73%
10-Year	+1.72%

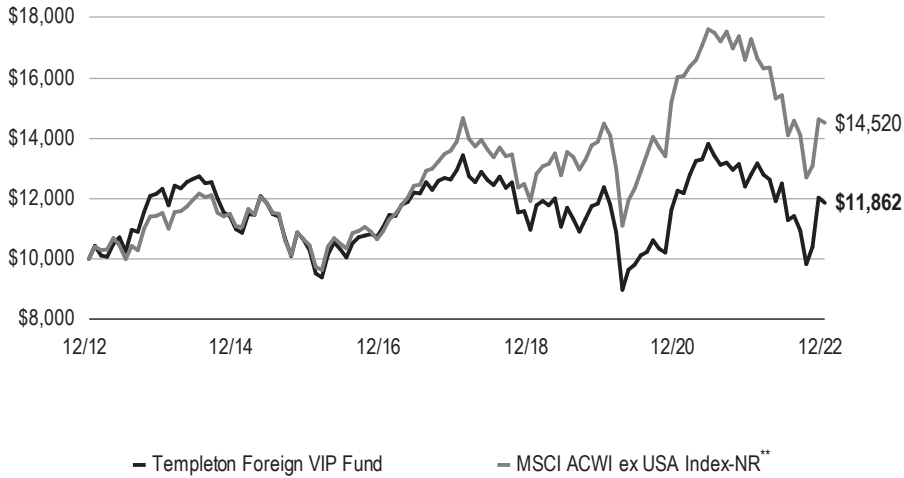
*Gross expenses are the Fund's total annual operating expenses and are sourced from the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns. Net expenses reflect contractual fee waivers, expense caps and/or reimbursements, which cannot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

Performance reflects the Fund's Class 1 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 MSCI All Country World Index (ACWI) ex USA Index-NR. 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 Foreign VIP Fund

Fund Goal and Main Investments

The Fund seeks long-term capital growth. Under normal market conditions, the Fund invests at least 80% of its net assets in investments of issuers located outside the U.S., including those in emerging markets.

Fund Risks

All investments involve risks, including possible loss of principal. Special risks are associated with foreign investing, including currency fluctuations, economic instability and political developments; investments in emerging markets involve heightened risks related to the same factors. To the extent the Fund focuses on particular countries, regions, industries, sectors or types of investment from time to time, it may be subject to greater risks of adverse developments in such areas of focus than a fund that invests in a wider variety of countries, regions, industries, sectors or investments.

The Fund is actively managed but there is no guarantee that the manager's investment decisions will produce the desired results. 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'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 Fund's benchmark, the MSCI All Country World Index (ACWI) ex USA Index-NR, posted a -16.00% total return for the period under review.¹

Geographic Composition

12/31/22

	% of Total Net Assets
Europe	55.0%
Asia	39.4%
Latin America & Caribbean	1.5%
Short-Term Investments & Other Net Assets	4.1%

Economic and Market Overview

Global developed and emerging market equities, as measured by the MSCI ACWI-NR, posted a -18.36% total return for the 12 months ended December 31, 2022.¹ The combination of resilient consumer demand and persistent supply-chain disruptions contributed to higher inflation in many countries. This inflationary pressure led many of the world's central banks to adopt less accommodative monetary policy in 2022, which hindered stocks and the outlook for economic growth. Russia's invasion of Ukraine and the subsequent escalation of the war also increased investor uncertainty, as international sanctions on Russia disrupted global trade and commodity markets. Meanwhile, shifting public health policy in China added volatility to the global economy, as lockdowns early in the period to quell the spread of the Omicron variant of COVID-19 slowed economic activity, while widespread protests late in the period led the government to relax its strictest "zero-COVID" policies.

In the U.S., gross domestic product (GDP) expanded in the second half of the calendar year, recovering from a slight contraction in the first half of the year when high inflation, supply constraints and record trade deficits weighed on economic output. Rising prices precipitated a notable decline in consumer confidence despite high spending levels, robust job growth and low unemployment. In an effort to control inflation, the U.S. Federal Reserve (Fed) raised the federal funds target rate in March 2022 for the first time since 2018. The Fed raised the federal funds rate again at its subsequent six meetings to end the period at a range of 4.25%–4.50%. Furthermore, the Fed said it would continue to reduce

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).

its bond holdings and anticipated additional interest-rate increases at future meetings to curtail inflation.

Economic growth in the eurozone decelerated to a slightly positive growth rate during the year. The lifting of COVID-related restrictions in some European countries and the summer tourism season strengthened economies. However, the war in Ukraine disrupted supply chains, weakened the economic outlook and contributed to record high inflation across the eurozone, as energy prices soared. Electricity prices hit record highs in Germany and France as coal futures and natural gas prices climbed. Consequently, the European Central Bank raised interest rates in July 2022 for the first time in 11 years to curtail growing inflation and raised rates in three subsequent meetings. In this environment, European developed market equities, as measured by the MSCI Europe Index-NR, posted a -15.06% total return for the 12 months under review.¹

Asian developed and emerging market equities, as measured by the MSCI All Country Asia Index-NR, posted a -18.61% total return for the 12-month period.¹ Growth in Japan remained slow, alternating between positive quarterly GDP growth and contraction. China's economy contracted sharply in 2022 as COVID-related restrictions in many major cities, including Shanghai, weakened consumer demand. Investor concerns about the solvency of several large property developers in China further pressured stocks in that country.

Global emerging market stocks, as measured by the MSCI Emerging Markets Index-NR, posted a -20.09% total return for the 12 months under review.¹ Central bank tightening, the threat of recession, and weakening demand for semiconductors in technology-heavy countries contributed to the downturn. Following Russia's invasion of Ukraine, climbing food and energy prices kindled inflationary pressures and raised concerns over the possibility of government debt defaults in some countries. However, some emerging economies, particularly in Latin America, as well as South Africa and Saudi Arabia, benefited from rising commodity prices.

Investment Strategy

When choosing equity investments for the Fund, we apply a bottom-up, value-oriented, long-term approach, focusing on the market price of a company's securities relative to our evaluation of the company's long-term earnings, asset value and cash flow potential. We also consider a company's price/earnings ratio, profit margins and liquidation value.

Top 10 Holdings

12/31/22

Company Industry, Country	% of Total Net Assets
BP plc <i>Oil, Gas & Consumable Fuels, United Kingdom</i>	5.5%
Shell plc <i>Oil, Gas & Consumable Fuels, Netherlands</i>	4.9%
Samsung Electronics Co. Ltd. <i>Technology Hardware, Storage & Peripherals, South Korea</i>	3.8%
Standard Chartered plc <i>Banks, United Kingdom</i>	3.2%
Taiwan Semiconductor Manufacturing Co. Ltd. <i>Semiconductors & Semiconductor Equipment, Taiwan</i>	3.1%
Bayerische Motoren Werke AG <i>Automobiles, Germany</i>	2.8%
Bayer AG <i>Pharmaceuticals, Germany</i>	2.7%
AstraZeneca plc <i>Pharmaceuticals, United Kingdom</i>	2.6%
Housing Development Finance Corp. Ltd. <i>Diversified Financial Services, India</i>	2.6%
AIA Group Ltd. <i>Insurance, Hong Kong</i>	2.5%

The Fund may, from time to time, engage in currency-related derivatives to seek to hedge (protect) against currency risks. The Fund may also use a variety of equity-related derivatives for various purposes including enhancing Fund returns, increasing liquidity and gaining exposure to particular markets in more efficient or less expensive ways.

Manager's Discussion

Templeton Foreign VIP Fund outperformed its benchmark MSCI ACWI ex USA Index-NR in 2022, a challenging year that saw international equities post their biggest decline since the depths of the global financial crisis as central banks tightened policy to combat rising inflation. All major regions and all but two of the Fund's sector exposures performed better than the benchmark during the year in review. Encouragingly, relative strength was primarily attributable to stock selection. We have long believed the ultra-loose policy environment prevailing in recent years was anomalous, and that the transition to a more normalized interest rate environment would eventually increase investor scrutiny on price and fundamentals, potentially rewarding our value-oriented strategy. As it happened, international value stocks had their best year relative to international growth stocks since the bursting of the TMT (technology-media-telecommunication) Bubble, and Templeton Foreign VIP Fund outperformed even the value benchmark.

Energy was the Fund's top-performing sector in 2022, benefiting from both stock selection and a favorable overweighted allocation. The Fund's top two individual

contributors both hailed from the energy sector: global oil majors BP and Shell. Both companies benefited from elevated oil prices, strong cash flows and shareholder-friendly capital allocation programs. BP was the single biggest contributor during the period. The company is generating prolific cash, which management is using to buy back roughly 10% of its outstanding equity per year at current rates, after paying its dividend and with capital left over to continue reducing balance sheet leverage. Management delivered another exceptional above-consensus earnings announcement during the reporting period, and we remain constructive on BP given the above characteristics and the stock's single-digit price-to-earnings multiple. Shell was also buoyed by healthy cash generation and positive capital return plans; the firm reported strong profits, raised its dividend and announced plans to buy back another \$4 billion of shares in coming months. While commodity prices will fluctuate in the near-term, we continue to believe select energy producers appear significantly undervalued given improved capital allocation within the industry and attractive supply-and-demand fundamentals for hydrocarbon markets over the longer-term.

Stock selection in industrials also positively impacted performance, led by European defense and aerospace firms Dassault Aviation (France) and BAE Systems (U.K.). Defense stocks generally had a good year in light of the escalating conflict in Ukraine and simmering geopolitical tensions elsewhere. More specifically, shares of Dassault gained after the firm reported a strong set of first-half results and management reiterated full-year guidance. We believe a record order backlog in the firm's defense business, combined with an improving order backlog in its Falcon business jet segment, positions Dassault well to increase sales and profits over our investment horizon. Similarly, shares of BAE Systems were buoyed by positive sentiment and improving fundamentals. A trading update late in the year confirmed the strength of BAE's order intake in 2022, and saw management reiterate full-year earnings guidance and share buyback plans. After a period of protracted underperformance, BAE has a new management team that has performed admirably, with above-industry-average growth and ongoing improvements in operating margins and cash conversion. While we trimmed the position during the year to realize profits, we continue to like BAE given what we view as its attractive valuation, strong growth profile, good margin upside and favorable capital return policies.

Other notable sector contributors included financials, consumer staples and information technology (IT), all of which benefited from stock selection. Financials had two stocks among the Fund's top 10 contributors: Japanese

financial services firm Sumitomo Mitsui Financial Group and U.K.-based emerging markets bank Standard Chartered. We raised our weighting to banks last year on expectations that rising interest rates and accelerating loan growth would strengthen net interest margins, which is playing out broadly as expected. Our exposures, however, remain highly selective. We have avoided banks in low-returning, over-regulated markets with elevated credit risk, focusing instead on what we believe to be best-in-class banks in attractive markets with shareholder-friendly management teams and earnings sensitivity as interest rates rise. That has led us toward "Main Street" banks where traditional lending will benefit from higher rates, and away from banks with a high mix in the volatile investment banking market. Geographically, we are finding more desirable opportunities that fit this profile in the U.K. and Asian markets, and fewer in the euro-area. Meanwhile, from the consumer staples sector, U.K.-based tobacco firm Imperial Brands rallied after management reported better-than-expected earnings on strength in its discount brand portfolio. There were no IT stocks among the Fund's 10 biggest contributors, though our holdings in the challenging sector declined less than the benchmark's during the year in review.

Consumer discretionary and utilities were the only sectors that detracted from relative performance in 2022. In consumer discretionary, shares of U.K.-based food delivery service firm Just Eat Takeaway.com underperformed during the year. The stock was pressured by concerns about competition and profitability. However, we were encouraged by constructive news as the period progressed, which included a potential sale of Just Eat's challenged U.S. business and updated guidance that indicated improving earnings trends and a path toward profitability in 2023. Admittedly, this remains a "show-me" story going forward. Investors will want to see the completion of strategic divestitures, more consistency hitting guidance targets, and an improving competitive environment that shifts from "growth at any cost" to "profitable growth." We see numerous catalysts that should help Just Eat achieve these goals, creating considerable upside potential from current depressed valuation levels, in our view.

The Fund's utilities position was led lower by German power provider E.ON. Shares declined during the year on concerns about the impact of a disruption in Russian natural gas supply. While we think that E.ON could be a strong longer-term holding following a period of strategic restructuring and deleveraging, the implications of the Russia-Ukraine conflict for Germany's power system change the risk-reward calculus, in our view. We liquidated the position in favor of

opportunities we believe are more attractive and with more manageable near-term risk profiles.

From a regional standpoint, the bulk of relative outperformance came from Europe, where the Fund benefited primarily from stock selection, but also a favorable overweighted allocation. Within the region, the bulk of relative outperformance came from the U.K., where the Fund's position gained nearly 12%, compared to a greater than 6% loss for the benchmark's U.K. exposures. Asian holdings also outperformed, led by stock selection in Japan and China.

Thank you for your participation in Templeton Foreign 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 1 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}	
1	\$1,000	\$1,050.70	\$3.58	\$1,021.72	\$3.53	0.69%

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 Foreign 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	\$13.90	\$13.57	\$14.23	\$13.01	\$15.80
Income from investment operations ^a :					
Net investment income ^b	0.30	0.23	0.32 ^c	0.44	0.29
Net realized and unrealized gains (losses)	(1.33)	0.39	(0.54)	1.19	(2.64)
Total from investment operations	(1.03)	0.62	(0.22)	1.63	(2.35)
Less distributions from:					
Net investment income	(0.43)	(0.29)	(0.44)	(0.27)	(0.44)
Net realized gains	—	—	—	(0.14)	—
Total distributions	(0.43)	(0.29)	(0.44)	(0.41)	(0.44)
Net asset value, end of year	\$12.44	\$13.90	\$13.57	\$14.23	\$13.01
Total return ^d	(7.39)%	4.44%	(0.92)%	12.84%	(15.27)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.79%	0.87%	0.86%	0.85%	0.83%
Expenses net of waiver and payments by affiliates	0.78%	0.86%	0.84%	0.83%	0.81%
Net investment income	2.41%	1.58%	2.68% ^c	3.25%	1.96%
Supplemental data					
Net assets, end of year (000's)	\$95,961	\$114,563	\$113,317	\$121,948	\$114,784
Portfolio turnover rate	19.38%	26.13%	40.07%	28.52%	21.38%

^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 and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cNet investment income per share includes approximately \$0.14 per share related to an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.54%.

^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.

Templeton Foreign 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	\$13.59	\$13.28	\$13.93	\$12.74	\$15.47
Income from investment operations ^a :					
Net investment income ^b	0.27	0.19	0.28 ^c	0.40	0.25
Net realized and unrealized gains (losses)	(1.31)	0.38	(0.53)	1.16	(2.58)
Total from investment operations	(1.04)	0.57	(0.25)	1.56	(2.33)
Less distributions from:					
Net investment income	(0.38)	(0.26)	(0.40)	(0.23)	(0.40)
Net realized gains	—	—	—	(0.14)	—
Total distributions	(0.38)	(0.26)	(0.40)	(0.37)	(0.40)
Net asset value, end of year	\$12.17	\$13.59	\$13.28	\$13.93	\$12.74
Total return ^d	(7.61)%	4.16%	(1.16)%	12.53%	(15.44)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.04%	1.11%	1.11%	1.10%	1.08%
Expenses net of waiver and payments by affiliates	1.03%	1.11% ^e	1.09%	1.08%	1.06%
Net investment income	2.17%	1.35%	2.42% ^c	3.00%	1.71%
Supplemental data					
Net assets, end of year (000's)	\$691,189	\$831,031	\$1,084,789	\$1,117,813	\$1,060,101
Portfolio turnover rate	19.38%	26.13%	40.07%	28.52%	21.38%

^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 and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cNet investment income per share includes approximately \$0.13 per share related to an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.28%.

^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 waiver and payments by affiliates rounds to less than 0.01%.

Templeton Foreign 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	\$13.87	\$13.54	\$14.20	\$12.96	\$15.71
Income from investment operations ^a :					
Net investment income ^b	0.26	0.18	0.28 ^c	0.39	0.24
Net realized and unrealized gains (losses)	(1.34)	0.39	(0.55)	1.20	(2.63)
Total from investment operations	(1.08)	0.57	(0.27)	1.59	(2.39)
Less distributions from:					
Net investment income	(0.37)	(0.24)	(0.39)	(0.21)	(0.36)
Net realized gains	—	—	—	(0.14)	—
Total distributions	(0.37)	(0.24)	(0.39)	(0.35)	(0.36)
Net asset value, end of year	\$12.42	\$13.87	\$13.54	\$14.20	\$12.96
Total return ^d	(7.75)%	4.10%	(1.34)%	12.49%	(15.54)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.14%	1.21%	1.21%	1.20%	1.18%
Expenses net of waiver and payments by affiliates	1.12%	1.21% ^e	1.19%	1.18%	1.16%
Net investment income	2.06%	1.22%	2.33% ^c	2.90%	1.61%
Supplemental data					
Net assets, end of year (000's)	\$76,110	\$91,428	\$106,224	\$113,681	\$125,265
Portfolio turnover rate	19.38%	26.13%	40.07%	28.52%	21.38%

^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 and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cNet investment income per share includes approximately \$0.13 per share related to an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.19%.

^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 waiver and payments by affiliates rounds to less than 0.01%.

Schedule of Investments, December 31, 2022

Templeton Foreign VIP Fund

	Country	Shares	Value
Common Stocks 95.9%			
Aerospace & Defense 4.0%			
BAE Systems plc	United Kingdom	947,836	\$9,789,227
Dassault Aviation SA	France	93,730	15,895,221
^a Rolls-Royce Holdings plc	United Kingdom	7,831,739	8,747,494
			34,431,942
Auto Components 4.7%			
Continental AG	Germany	250,136	14,911,054
^a Faurecia SE	France	817,984	12,379,906
Valeo	France	731,396	13,067,858
			40,358,818
Automobiles 4.6%			
Bayerische Motoren Werke AG	Germany	272,469	24,121,935
Honda Motor Co. Ltd.	Japan	693,600	15,814,905
			39,936,840
Banks 15.4%			
ING Groep NV	Netherlands	1,489,251	18,139,964
Kasikornbank PCL	Thailand	3,030,200	12,883,997
^b KB Financial Group, Inc., ADR	South Korea	475,106	18,367,598
Lloyds Banking Group plc	United Kingdom	34,835,484	19,009,411
Shinhan Financial Group Co. Ltd.	South Korea	586,529	16,397,331
Standard Chartered plc	United Kingdom	3,717,595	27,726,604
Sumitomo Mitsui Financial Group, Inc.	Japan	510,700	20,539,663
			133,064,568
Chemicals 1.4%			
^c Covestro AG, 144A, Reg S	Germany	303,917	11,838,853
Construction Materials 1.5%			
CRH plc	Ireland	319,503	12,706,096
Diversified Financial Services 3.9%			
^a EXOR NV	Netherlands	156,810	11,480,204
Housing Development Finance Corp. Ltd.	India	692,774	22,020,094
			33,500,298
Energy Equipment & Services 2.5%			
SBM Offshore NV	Netherlands	1,373,635	21,610,159
Food & Staples Retailing 1.7%			
Sundrug Co. Ltd.	Japan	500,600	14,871,014
Health Care Providers & Services 1.2%			
Fresenius Medical Care AG & Co. KGaA	Germany	307,868	10,055,283
Household Durables 2.1%			
Barratt Developments plc	United Kingdom	886,698	4,234,958
Persimmon plc	United Kingdom	281,124	4,121,846
Sony Group Corp.	Japan	134,100	10,217,816
			18,574,620
Industrial Conglomerates 3.8%			
CK Hutchison Holdings Ltd.	United Kingdom	2,446,500	14,656,807
Hitachi Ltd.	Japan	369,700	18,595,552
			33,252,359
Insurance 4.1%			
AIA Group Ltd.	Hong Kong	1,957,400	21,616,612

Templeton Foreign VIP Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Insurance (continued)			
Prudential plc	Hong Kong	1,013,664	\$13,821,035
			<u>35,437,647</u>
Interactive Media & Services 0.3%			
^a Baidu, Inc., ADR	China	23,330	2,668,485
Internet & Direct Marketing Retail 5.3%			
^a Alibaba Group Holding Ltd.	China	1,688,400	18,526,904
^{a,c} Just Eat Takeaway.com NV, 144A, Reg S	United Kingdom	343,051	7,301,339
Prosus NV	China	282,962	19,535,758
			<u>45,364,001</u>
Machinery 1.3%			
Komatsu Ltd.	Japan	352,800	7,622,850
Toyota Industries Corp.	Japan	62,400	3,388,762
			<u>11,011,612</u>
Media 0.5%			
TBS Holdings, Inc.	Japan	371,900	4,313,223
Metals & Mining 3.3%			
Sumitomo Metal Mining Co. Ltd.	Japan	429,200	15,076,428
Wheaton Precious Metals Corp.	Brazil	341,800	13,353,929
			<u>28,430,357</u>
Multiline Retail 0.9%			
Seria Co. Ltd.	Japan	348,800	7,621,178
Multi-Utilities 1.4%			
E.ON SE.	Germany	1,204,124	11,970,852
Oil, Gas & Consumable Fuels 11.9%			
BP plc.	United Kingdom	8,271,167	47,722,177
Galp Energia SGPS SA, B	Portugal	953,415	12,861,575
Shell plc	Netherlands	1,499,276	42,264,067
			<u>102,847,819</u>
Pharmaceuticals 5.2%			
AstraZeneca plc	United Kingdom	163,789	22,162,909
Bayer AG	Germany	447,746	23,044,456
			<u>45,207,365</u>
Professional Services 2.0%			
Adecco Group AG	Switzerland	517,678	17,028,024
Semiconductors & Semiconductor Equipment 6.8%			
Infineon Technologies AG	Germany	520,371	15,814,338
NXP Semiconductors NV	China	103,001	16,277,248
Taiwan Semiconductor Manufacturing Co. Ltd.	Taiwan	1,864,000	27,075,700
			<u>59,167,286</u>
Technology Hardware, Storage & Peripherals 3.8%			
Samsung Electronics Co. Ltd.	South Korea	741,212	32,671,006
Tobacco 2.3%			
Imperial Brands plc	United Kingdom	798,682	19,895,255
Total Common Stocks (Cost \$785,577,791)			<u>827,834,960</u>

Templeton Foreign VIP Fund (continued)

Short Term Investments 5.3%

	Country	Shares	Value
Money Market Funds 4.1%			
^{d,e} Institutional Fiduciary Trust - Money Market Portfolio, 3.782%	United States	35,603,799	\$35,603,799
Total Money Market Funds (Cost \$35,603,799)			35,603,799
^fInvestments from Cash Collateral Received for Loaned Securities 1.2%			
Money Market Funds 1.2%			
^{d,e} Institutional Fiduciary Trust - Money Market Portfolio, 3.782%	United States	10,342,950	10,342,950
Total Investments from Cash Collateral Received for Loaned Securities (Cost \$10,342,950)			10,342,950
Total Short Term Investments (Cost \$45,946,749)			45,946,749
Total Investments (Cost \$831,524,540) 101.2%			\$873,781,709
Other Assets, less Liabilities (1.2)%			(10,520,908)
Net Assets 100.0%			\$863,260,801

See Abbreviations on page TF-27.

^a Non-income producing.

^b A portion or all of the security is on loan at December 31, 2022. See Note 1(c).

^c Security 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 \$19,140,192, representing 2.2% of net assets.

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

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

^f See Note 1(c) regarding securities on loan.

Statement of Assets and Liabilities

December 31, 2022

	Templeton Foreign VIP Fund
Assets:	
Investments in securities:	
Cost - Unaffiliated issuers	\$785,577,791
Cost - Non-controlled affiliates (Note 3e)	45,946,749
Value - Unaffiliated issuers (Includes securities loaned of \$10,476,860)	\$827,834,960
Value - Non-controlled affiliates (Note 3e)	45,946,749
Foreign currency, at value (cost \$2)	2
Receivables:	
Capital shares sold	55,440
Dividends	3,211,473
Total assets	<u>877,048,624</u>
Liabilities:	
Payables:	
Capital shares redeemed	1,489,361
Management fees	575,786
Distribution fees	171,985
Trustees' fees and expenses	1,148
Payable upon return of securities loaned (Note 1c)	10,342,950
Deferred tax	956,889
Accrued expenses and other liabilities	249,704
Total liabilities	<u>13,787,823</u>
Net assets, at value	<u>\$863,260,801</u>
Net assets consist of:	
Paid-in capital	\$823,661,982
Total distributable earnings (losses)	39,598,819
Net assets, at value	<u>\$863,260,801</u>
	Templeton Foreign VIP Fund
Class 1:	
Net assets, at value	\$95,961,137
Shares outstanding	7,716,653
Net asset value and maximum offering price per share	<u>\$12.44</u>
Class 2:	
Net assets, at value	\$691,189,225
Shares outstanding	56,802,572
Net asset value and maximum offering price per share	<u>\$12.17</u>
Class 4:	
Net assets, at value	\$76,110,439
Shares outstanding	6,127,417
Net asset value and maximum offering price per share	<u>\$12.42</u>

Statement of Operations

for the year ended December 31, 2022

**Templeton
Foreign VIP
Fund**

Investment income:	
Dividends: (net of foreign taxes of \$2,660,921)	
Unaffiliated issuers	\$26,201,394
Non-controlled affiliates (Note 3e)	580,771
Income from securities loaned:	
Unaffiliated entities (net of fees and rebates)	143,412
Non-controlled affiliates (Note 3e)	83,781
Other income (Note 1d)	1,917,973
Total investment income	<u>28,927,331</u>
Expenses:	
Management fees (Note 3a)	7,282,249
Distribution fees: (Note 3c)	
Class 2	1,817,867
Class 4	280,377
Custodian fees	62,539
Reports to shareholders fees	(325,120)
Professional fees	113,846
Trustees' fees and expenses	11,215
Other	47,529
Total expenses	<u>9,290,502</u>
Expenses waived/paid by affiliates (Note 3e)	<u>(161,027)</u>
Net expenses	9,129,475
Net investment income	<u>19,797,856</u>
Realized and unrealized gains (losses):	
Net realized gain (loss) from:	
Investments:	
Unaffiliated issuers	31,792,258
Foreign currency transactions	<u>(1,389,760)</u>
Net realized gain (loss)	<u>30,402,498</u>
Net change in unrealized appreciation (depreciation) on:	
Investments:	
Unaffiliated issuers	(126,742,439)
Translation of other assets and liabilities denominated in foreign currencies	403,877
Change in deferred taxes on unrealized appreciation	<u>(25,372)</u>
Net change in unrealized appreciation (depreciation)	<u>(126,363,934)</u>
Net realized and unrealized gain (loss)	<u>(95,961,436)</u>
Net increase (decrease) in net assets resulting from operations	<u>\$(76,163,580)</u>

Statements of Changes in Net Assets

	Templeton Foreign VIP Fund	
	Year Ended December 31, 2022	Year Ended December 31, 2021
Increase (decrease) in net assets:		
Operations:		
Net investment income	\$19,797,856	\$17,241,459
Net realized gain (loss)	30,402,498	91,630,813
Net change in unrealized appreciation (depreciation)	(126,363,934)	(43,910,316)
Net increase (decrease) in net assets resulting from operations	(76,163,580)	64,961,956
Distributions to shareholders:		
Class 1	(3,306,920)	(2,381,077)
Class 2	(22,029,270)	(19,729,840)
Class 4	(2,305,506)	(1,653,598)
Total distributions to shareholders	(27,641,696)	(23,764,515)
Capital share transactions: (Note 2)		
Class 1	(7,175,125)	(1,488,235)
Class 2	(56,332,575)	(289,098,586)
Class 4	(6,447,529)	(17,919,519)
Total capital share transactions	(69,955,229)	(308,506,340)
Net increase (decrease) in net assets	(173,760,505)	(267,308,899)
Net assets:		
Beginning of year	1,037,021,306	1,304,330,205
End of year	\$863,260,801	\$1,037,021,306

Notes to Financial Statements

Templeton Foreign 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 Foreign 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.

Equity securities listed on an exchange or on the NASDAQ National Market System are valued at the last quoted sale price or the official closing price of the day, respectively. Foreign equity securities are valued as of the close of trading on the foreign stock exchange on which the security is

primarily traded, or as of 4 p.m. Eastern time. The value is then converted into its U.S. dollar equivalent at the foreign exchange rate in effect at 4 p.m. Eastern time on the day that the value of the security is determined. Over-the-counter (OTC) securities are valued within the range of the most recent quoted bid and ask prices. Securities that trade in multiple markets or on multiple exchanges are valued according to the broadest and most representative market. Certain equity securities are valued based upon fundamental characteristics or relationships to similar securities.

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

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.

Trading in securities on foreign securities stock exchanges and OTC markets may be completed before 4 p.m. Eastern time. In addition, trading in certain foreign markets may not take place on every Fund's business day. Events can occur between the time at which trading in a foreign security is completed and 4 p.m. Eastern time that might call into question the reliability of the value of a portfolio security held by the Fund. As a result, differences may arise between the value of the Fund's portfolio securities as determined at the foreign market close and the latest indications of value at 4 p.m. Eastern time. In order to minimize the potential for these differences, an independent pricing service may be used to adjust the value of the Fund's portfolio securities to the latest indications of fair value at 4 p.m. Eastern time. At December 31, 2022, certain securities may have been fair valued using these procedures, in which case the securities were categorized as Level 2 inputs within the fair value hierarchy (referred to as "market level fair value"). See the Fair Value Measurements note for more information.

Templeton Foreign VIP Fund (continued)

1. Organization and Significant Accounting Policies

(continued)

a. Financial Instrument Valuation (continued)

When the last day of the reporting period is a non-business day, certain foreign markets may be open on those days that the Fund's NAV is not calculated, which could result in differences between the value of the Fund's portfolio securities on the last business day and the last calendar day of the reporting period. Any security valuation changes due to an open foreign market are adjusted and reflected by the Fund for financial reporting purposes.

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 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 Lending

The Fund participates in an agency based securities lending program to earn additional income. The Fund receives collateral in the form of cash and/or U.S. Government and Agency securities against the loaned securities in an amount equal to at least 102% of the fair value of the loaned securities. Collateral is maintained over the life of the loan in an amount not less than 100% of the fair value of loaned securities, as determined at the close of Fund business each day; any additional collateral required due to changes in security values is delivered to the Fund on the next business day. Any cash collateral received is deposited into a joint cash account with other funds and is used to invest in a money market fund managed by Franklin Advisers, Inc., an affiliate of the Fund. Additionally at December 31, 2022, the Fund held \$432,782 in U.S. Government and Agency securities as collateral. These securities are held as collateral in segregated accounts with the Fund's custodian. The Fund cannot repledge or resell these securities held as collateral. As such, the non-cash collateral is excluded from the Statement of Assets and Liabilities. The Fund may receive income from the investment of cash collateral, in addition to lending fees and rebates paid by the borrower. Income from securities loaned, net of fees paid to the securities lending agent and/or third-party vendor, is reported separately in the Statement of Operations. The Fund bears the market risk with respect to any cash collateral investment, securities loaned, and the risk that the agent may default on its obligations to the Fund. If the borrower defaults on its obligation to return the securities loaned, the Fund has the right to repurchase the securities in the open market using the collateral received. The securities lending agent has agreed to indemnify the Fund in the event of default by a third party borrower.

d. 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

Templeton Foreign VIP Fund (continued)**1. Organization and Significant Accounting Policies**
(continued)**d. Income and Deferred Taxes** (continued)

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.

As a result of several court cases, in certain countries across the European Union, the Fund filed additional tax reclaims for previously withheld taxes on dividends earned in those countries (EU reclaims). Income recognized, if any, for EU reclaims is reflected as other income in the Statement of Operations and any related receivable, if any, is reflected as European Union tax reclaims in the Statement of Assets and Liabilities. Any fees associated with these filings are reflected in other expenses in the Statement of Operations. When uncertainty exists as to the ultimate resolution of these proceedings, the likelihood of receipt of these EU reclaims, and the potential timing of payment, no amounts are reflected in the financial statements. For U.S. income tax purposes, when EU reclaims are received by the Fund and the Fund previously passed foreign tax credit on to its shareholders, the Fund will enter into a closing agreement with the Internal Revenue Service (IRS) in order to pay the associated tax liability on behalf of the Fund's shareholders.

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 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.

e. 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. Dividend income is recorded on the ex-dividend date except for certain dividends from securities where the dividend rate is not

available. In such cases, the dividend is recorded as soon as the information is received by the Fund. 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.

f. 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.

g. 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 Foreign 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	253,851	\$3,273,959	442,846	\$6,305,829
Shares issued in reinvestment of distributions	269,293	3,306,920	158,422	2,381,077
Shares redeemed	(1,050,471)	(13,756,004)	(708,094)	(10,175,141)
Net increase (decrease)	(527,327)	\$(7,175,125)	(106,826)	\$(1,488,235)
Class 2 Shares:				
Shares sold	4,481,562	\$54,164,598	5,248,565	\$73,689,135
Shares issued in reinvestment of distributions	1,829,648	22,028,963	1,341,254	19,729,840
Shares redeemed	(10,651,921)	(132,526,136)	(27,124,178)	(382,517,561)
Net increase (decrease)	(4,340,711)	\$(56,332,575)	(20,534,359)	\$(289,098,586)
Class 4 Shares:				
Shares sold	624,717	\$7,436,044	677,401	\$9,654,639
Shares issued in reinvestment of distributions	187,592	2,305,506	110,093	1,653,598
Shares redeemed	(1,277,852)	(16,189,079)	(2,037,261)	(29,227,756)
Net increase (decrease)	(465,543)	\$(6,447,529)	(1,249,767)	\$(17,919,519)

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
Templeton Investment Counsel, LLC (TIC)	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

Effective May 1, 2022, the Fund pays an investment management fee, calculated daily and paid monthly, to TIC based on the average daily net assets of the Fund as follows:

Annualized Fee Rate	Net Assets
0.800%	Up to and including \$700 million
0.775%	Over \$700 million, up to and including \$1.2 billion
0.675%	In excess of \$1.2 billion

Templeton Foreign VIP Fund (continued)**3. Transactions with Affiliates** (continued)**a. Management Fees** (continued)

Prior to May 1, 2022, the Fund paid an investment management fee, calculated daily and paid monthly, to TIC based on the average daily net assets of the Fund as follows:

Annualized Fee Rate	Net Assets
0.900%	Up to and including \$200 million
0.810%	Over \$200 million, up to and including \$700 million
0.775%	Over \$700 million, up to and including \$1.2 billion
0.750%	Over \$1.2 billion, up to and including \$1.3 billion
0.675%	Over \$1.3 billion, up to and including \$10 billion
0.655%	Over \$10 billion, up to and including \$15 billion
0.635%	Over \$15 billion, up to and including \$20 billion
0.615%	In excess of \$20 billion

For the year ended December 31, 2022, the gross effective investment management fee rate was 0.803% of the Fund's average daily net assets.

b. Administrative Fees

Under an agreement with TIC, FT Services provides administrative services to the Fund. The fee is paid by TIC 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:

Templeton Foreign VIP Fund (continued)

3. Transactions with Affiliates (continued)

e. Investments in Affiliated Management Investment Companies (continued)

	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 Foreign VIP Fund								
Non-Controlled Affiliates								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 3.782%	\$50,936,475	\$183,616,106	\$(198,948,782)	\$—	\$—	\$35,603,799	35,603,799	\$580,771
Non-Controlled Affiliates								
								Income from securities loaned
Institutional Fiduciary Trust - Money Market Portfolio, 3.782%	\$192,332	\$237,178,901	\$(227,028,283)	\$—	\$—	\$10,342,950	10,342,950	\$83,781
Total Affiliated Securities . . .	\$51,128,807	\$420,795,007	\$(425,977,065)	\$—	\$—	\$45,946,749		\$664,552

4. 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:

Long term	17,565,020
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For tax purposes, capital losses may be carried over to offset future capital gains. During the year ended December 31, 2022, the Fund utilized \$31,799,014 of capital loss carryforwards.

The tax character of distributions paid during the years ended December 31, 2022 and 2021, was as follows:

	2022	2021
Distributions paid from:		
Ordinary income	\$27,641,696	\$23,764,515

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

Cost of investments	\$841,692,010
Unrealized appreciation	\$174,692,897
Unrealized depreciation	(142,603,198)
Net unrealized appreciation (depreciation)	\$32,089,699
Distributable earnings:	
Undistributed ordinary income	\$26,048,766

Templeton Foreign VIP Fund (continued)

4. Income Taxes (continued)

Differences between income and/or capital gains as determined on a book basis and a tax basis are primarily due to differing treatment of wash sales, foreign currency transactions and passive foreign investment company shares.

5. Investment Transactions

Purchases and sales of investments (excluding short term securities) for the year ended December 31, 2022, aggregated \$166,645,653 and \$215,484,604, respectively.

At December 31, 2022, in connection with securities lending transactions, the Fund loaned equity investments and received \$10,342,950 of cash collateral. The gross amount of recognized liability for such transactions is included in payable upon return of securities loaned in the Statement of Assets and Liabilities. The agreements can be terminated at any time.

6. 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.

7. 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.

8. 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.

9. 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,

Templeton Foreign VIP Fund (continued)

9. Credit Facility (continued)

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.

10. 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 carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
Templeton Foreign VIP Fund				
Assets:				
Investments in Securities:				
Common Stocks:				
Aerospace & Defense	\$—	\$34,431,942	\$—	\$34,431,942
Auto Components	—	40,358,818	—	40,358,818
Automobiles	—	39,936,840	—	39,936,840
Banks	18,367,598	114,696,970	—	133,064,568
Chemicals	—	11,838,853	—	11,838,853
Construction Materials	—	12,706,096	—	12,706,096
Diversified Financial Services	—	33,500,298	—	33,500,298
Energy Equipment & Services	—	21,610,159	—	21,610,159
Food & Staples Retailing	—	14,871,014	—	14,871,014
Health Care Providers & Services	—	10,055,283	—	10,055,283
Household Durables	—	18,574,620	—	18,574,620
Industrial Conglomerates	—	33,252,359	—	33,252,359
Insurance	—	35,437,647	—	35,437,647
Interactive Media & Services	2,668,485	—	—	2,668,485
Internet & Direct Marketing Retail	—	45,364,001	—	45,364,001
Machinery	—	11,011,612	—	11,011,612
Media	—	4,313,223	—	4,313,223
Metals & Mining	13,353,929	15,076,428	—	28,430,357
Multiline Retail	—	7,621,178	—	7,621,178
Multi-Utilities	—	11,970,852	—	11,970,852
Oil, Gas & Consumable Fuels	—	102,847,819	—	102,847,819
Pharmaceuticals	—	45,207,365	—	45,207,365
Professional Services	—	17,028,024	—	17,028,024
Semiconductors & Semiconductor Equipment	16,277,248	42,890,038	—	59,167,286
Technology Hardware, Storage & Peripherals	—	32,671,006	—	32,671,006
Tobacco	—	19,895,255	—	19,895,255
Short Term Investments	45,946,749	—	—	45,946,749
Total Investments in Securities	\$96,614,009	\$777,167,700^a	\$—	\$873,781,709

Templeton Foreign VIP Fund (continued)

10. Fair Value Measurements (continued)

^aIncludes foreign securities valued at \$777,167,700, which were categorized as Level 2 as a result of the application of market level fair value procedures. See the Financial Instrument Valuation note for more information.

11. New Accounting Pronouncements

In June 2022, the FASB issued Accounting Standards Update (ASU) No. 2022-03, Fair Value Measurement (Topic 820) – Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions. The amendments in the ASU clarify that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, should not be considered in measuring fair value. The ASU is effective for interim and annual reporting periods beginning after December 15, 2023, with the option of early adoption. Management has reviewed the requirements and believes that the adoption of the ASU will not have a material impact on the financial statements.

12. 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

Selected Portfolio

ADR American Depositary Receipt

Report of Independent Registered Public Accounting Firm

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

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Templeton Foreign 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 custodian and transfer agent. 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 Foreign 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	\$2,232,120
Foreign Source Income Earned	\$35,460,512

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).
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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).
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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
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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
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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
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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
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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
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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
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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
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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
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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
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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