Start

Calculate GRC

Determine thresholds, $L_0$ and $L_1$ according to GRC

Perform ME of 16x16 block

Obtain LRC

Determine MB activity

Low

Calculate RDcosts of intermodes in Class 0

Medium

Calculate RDcosts of intermodes in Class 1

High

Calculate RDcosts of intermodes in Class 2

Select the intermode with minimum RDcost as the optimal mode

Last MB in current frame ?

No

Yes

Last frame ?

No

Yes

End